

**COMPREHENSIVE ANNUAL  
BUDGET REPORT**

# **Hamilton County Tennessee**

**Operating Budget FY 2008**





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Hamilton County Government  
Tennessee**

For the Fiscal Year Beginning

**July 1, 2006**

President

Executive Director

**DISTINGUISHED BUDGET  
PRESENTATION AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Hamilton County, Tennessee for its Comprehensive Annual Budget Report for the fiscal year beginning July 1, 2006. This is the fifth year in a row Hamilton County has received this award for its Comprehensive Annual Budget Report.

In order to be awarded a Distinguished Budget Presentation Award, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Budget Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report continues to conform to program requirements, and we are currently submitting it to GFOA to determine its eligibility for another award.

# Table of Contents

## Table of Contents

### Introduction

<b>1</b>	<b>How To Use This Document</b> <i>A list of each major section and a brief summary of what is included in each section</i>	<b>20</b>	<b>Hamilton County Demographic and Statistical Data</b> <i>Includes general numerical information about the Government, Education, Land, Population, Police, Transportation Services, Culture and Recreation, and Libraries</i>
<b>3</b>	<b>County Mayor's Transmittal Letter</b> <i>An overview of the objectives that have been accomplished in 2006, along with a brief summary of the County's top priorities</i>	<b>22</b>	<b>Regional Map</b>
<b>5</b>	<b>Administrator of Finance's Transmittal Letter</b> <i>Explains the two overriding themes reflected in the budget, and provides Fiscal Year 2007 Budget Highlights</i>	<b>23</b>	<b>Historic Hamilton County</b> <i>Explanation of when and how Hamilton County was founded</i>
<b>8</b>	<b>Hamilton County's Long-Term Initiatives</b> <i>Provides the County's four primary initiatives and gives a brief summary of the achievements in each</i>	<b>24</b>	<b>Hamilton County Profile</b> <i>Description of the current features of Hamilton County including: Form of Government, Industrial and Economic Development, Transportation Services, Health Care Services and Facilities, Cultural Activities and Facilities, and Recreational Facilities</i>
<b>12</b>	<b>General Government Officials</b> <i>A list of the General Government Officials in Hamilton County</i>	<b>30</b>	<b>Financial Management Policies</b> <i>Description of the Budget, Cash Management and Investment, Revenue, General Operating, Capital Improvements, Debt Management, Reserve, Accounting, Auditing, and Financial Reporting, Asset Accounting, and Risk Management Policies</i>
<b>13</b>	<b>County Wide Organizational Chart</b>	<b>38</b>	<b>Condensed Budget Calendar</b> <i>Budget Calendar and Budget Procedures The Procedures outline the statutory budgetary requirements for all governments in Tennessee, the budgetary process, and the basis for adoption</i>
<b>14</b>	<b>Board of Commissioners</b> <i>Pictures of the Board of Commissioners</i>	<b>40</b>	<b>Budget Format</b> <i>Description of the budget format explaining the Budget Organization, Financial Structure, Governmental Funds, Component Unit, Basis for Budgeting, and Basis for Accounting</i>
<b>15</b>	<b>Revenue Sources</b> <i>List of revenue sources and a description of each</i>	<b>43</b>	<b>Budget Resolution</b>
<b>16</b>	<b>Graphs of Budgeted Revenues and Expenditures</b> <i>Graph of revenues by funding sources and expenditures by uses with percentages</i>		
<b>17</b>	<b>Budget Summary – Revenue and Expenditures – All Funds Combined</b> <i>A list of the resources and expenditures of all Governmental funds within the County's budget along with the Department of Education</i>		
<b>19</b>	<b>Budget Summary for FY 2007 – By Fund Type</b>		



## Financial Overview

### General Fund

*Accounts for all financial resources applicable to the general operations of County government that are not properly accounted for in another fund which include: property taxes; other local taxes; licenses and permits; intergovernmental; charges for services; fines, forfeitures, and penalties; investment income and revenue from other agencies.*

46	<b>General Fund Expenditures Graphs</b>
47	<b>General Fund Budget Summary</b> <i>Schedule of Revenue and Expenditures</i>
48	<b>Schedule of Interfund Transfers from the General Fund</b>
49	<b>Revenue Sources</b> <i>A description of the different revenue sources with graphs</i>

### Constitutional Offices

*The Constitutional Offices are established pursuant to the constitution of the State of Tennessee.*

54	<b>Constitutional Offices Expenditures Graphs</b>
55	<b>Constitutional Offices Expenditures Summary</b>
56	<b>Medical Examiner</b>
58	<b>Clerk &amp; Master</b>
59	<b>Circuit Court Clerk</b>
60	<b>County Clerk</b>
62	<b>Register of Deeds</b>
64	<b>Trustee</b>
65	<b>Assessor of Property</b>
66	<b>District Attorney General</b>
68	<b>County Election Commission</b>
70	<b>Criminal Court Clerk</b>
71	<b>Public Defender</b>
72	<b>Board of Equalization</b>
73	<b>General Sessions Court</b>
74	<b>Juries</b>
75	<b>Criminal Court Judges</b>
76	<b>Chancery Court Judges</b>
77	<b>Circuit Court Judges</b>
78	<b>Judicial Commission - Magistrate</b>
79	<b>Juvenile Court / Juvenile Judge</b>
80	<b>Juvenile Court / Detention Center</b>
81	<b>Juvenile Court / IV-D Child Support</b>
82	<b>Juvenile Court Volunteer Services</b>
83	<b>Juvenile Court Youth Corrections</b>
84	<b>Juvenile Court CASA</b>
85	<b>Juvenile Court Youth &amp; Alcohol</b>

### Supported Agencies

*The departments accounted for within Supported Agencies represent those entities that receive support from Hamilton County Government and the City of Chattanooga.*

88	<b>Supported Agencies Expenditures Graphs</b>
89	<b>Supported Agencies Expenditures Summary</b>
90	<b>Soil Conservation</b>
91	<b>Juvenile Court / Juvenile Judge</b>
92	<b>Juvenile Court / Detention Center</b>
93	<b>Juvenile Court / IV-D Child Support</b>
94	<b>Juvenile Court Volunteer Services</b>
95	<b>Juvenile Court Youth Corrections</b>
96	<b>Juvenile Court CASA</b>
97	<b>Juvenile Court Youth &amp; Alcohol</b>
98	<b>Other – Various</b>

### Unassigned Departments

*The departments accounted for within Unassigned are those that do not fall into any specific category of the General Fund.*

102	<b>Unassigned Departments Expenditures Graphs</b>
103	<b>Unassigned Department Expenditures Summary</b>
104	<b>Utilities</b>
105	<b>Insurance</b>
106	<b>Employee Benefits</b>
107	<b>Trustee's Commission</b>
109	<b>External Audits</b>
110	<b>County Mayor</b>
112	<b>Chief of Staff</b>
114	<b>Title VI</b>
115	<b>County Attorney</b>
116	<b>Chief Reading Officer</b>
117	<b>County Board of Commissioners</b>
118	<b>County Auditor</b>
119	<b>Microfilming</b>
120	<b>Indigent Care</b>
121	<b>Telecommunications</b>
122	<b>Human Resources</b>
125	<b>County Equal Employment Opportunity</b>
126	<b>Development</b>
129	<b>Railroad Authority</b>
130	<b>Capital Outlay – Various</b>
132	<b>Other</b>

## Finance Division

*This division encompasses the fiduciary aspects of Hamilton County Government.*

134	Finance Division Expenditures Graphs
135	Finance Division Expenditures Summary
136	Finance Administrator
138	Accounting
139	Financial Management
140	Information Technology Services
141	Purchasing
142	Geographic Information Systems

## Public Works Division

*The Public Works Division is responsible for major capital projects and maintaining the infrastructure of Hamilton County.*

144	Public Works Expenditures Graphs
145	Public Works Expenditures Summary
146	Public Works Administrator
147	Building Inspection
148	Custodial / Security Service
149	Security Services
151	Traffic Shop
152	Real Property
154	Engineering
155	Highway
156	Preventive Line Maintenance Shop I
157	Preventive Line Maintenance Shop II
158	Preventive Line Maintenance Shop III
159	Stockroom
160	Recycling
162	Spring Creek Transfer
163	Sequoyah Transfer
164	Waste Tire Program
165	WWTA
166	Storm Water – Phase II

## Human Services Division

*This division includes services related to Emergency, Volunteer, Corrections, Social, Maintenance, and Recreation funded totally or in part by federal, state, and local funds.*

168	Human Services Expenditures Graphs
169	Human Services Expenditures Summary
170	Human Services Administrator
171	Maintenance
173	Emergency Services
174	Recreation
176	Riverpark Operations
179	Rural Transportation Program
180	Emergency Assistance Program

182	Felony Community Corrections Program
183	Misdemeanant Community Corrections Program
184	County Community Service (Litter Grant)
185	Corrections Administration
186	Hamilton County Workhouse (CCA)
187	Workhouse Records
188	Corrections Inmates Program
189	Misdemeanant Probation
190	Alternative Bond Program
191	Enterprise South
192	Parents Are First Teachers
194	Social Services Administration
195	Flex Ride
196	Emergency Medical Services
197	Emergency Services – Volunteer Services
199	Other – Various
200	Welfare Services – Various

## Health Services Division

*The core function of this division is: prevention; education; assessment; service delivery; policy development; outreach protection, surveillance and regulation assuring compliance toward a healthy community.*

204	Health Services Expenditures Graphs
205	Health Services Expenditures Summary
206	Accounts and Budgets
207	Infant Mortality Reduction Initiative
208	TENnderCare Outreach
209	Preparedness Planning
210	Epidemiology & Surveillance
211	Communication & Technology
212	Homeland Security
213	Early Periodical Screening Development and Treatment
214	Tobacco Prevention
215	Health Access Obstetrical Project
216	Birchwood Primary Care
217	Hispanic Primary Care
218	Ooltewah Primary Care
219	Health Access Dental
221	Rape Prevention
222	Health Grant Tennessee Breast and Cervical Cancer Early Detection Program
224	Health Administrator
225	Health Administration
227	Maintenance
228	Environmental Health
230	Statistics
231	Health Promotion and Wellness
232	Step ONE
233	Dental Health
235	Family Planning

## Health Department Cont.

236	Case Management Services
238	Medical Case Management HIV / AIDS
240	HIV – AIDS Prevention
242	Environmental Inspectors
244	Nursing Administration
246	Childhood Lead Prevention
247	Women, Infants and Children
248	Renal Intervention Program
250	Teen Pregnancy Prevention
251	Records Management
252	Children's Special Services
253	Pharmacy
254	State Health Promotion / Education Grant
255	Family Health Center – Pediatric
257	Primary Care
258	Immunization Project
260	Governor's Highway Safety Program
261	Federal Homeless Project
262	Help Us Grow Successfully
264	STD Clinic
265	Family Health Center – Prenatal / Adult
266	Ooltewah Clinic
267	Sequoyah Clinic
268	Communicable Disease Control Clinic
270	County STD Clinic
272	Community Assessment and Planning
273	State Tuberculosis Clinic
274	Regional Prevention Program
275	Oral Health
276	Families First
277	Other

## Special Revenue Funds

*Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.*

280	Special Revenue Funds Combined Graphs
281	Schedule of Revenue and Expenditures Combined

## Sheriff Fund

*This Fund accounts separately for all revenues and expenditures of the Sheriff's Department due to the large amount of activity.*

284	Sheriff Fund Expenditures Graphs
285	Sheriff Fund Budget Summary
286	Sheriff Administrator
287	Patrol
288	Jail
289	Criminal Records / Courts
290	Communications
291	Major Crimes
292	Fugitive Division
293	DUI School
294	Special Operations
296	Domestic Violence Task Force
297	Cops in Schools Program
298	IV D Civil Process
299	Other

## Juvenile Court Clerk Fund

*This Fund was established pursuant to Tennessee Code annotated 37-1-211, which states that the Clerks of such special Juvenile Courts shall, under the supervision of the judge, keep all records of the court.*

302	Juvenile Court Clerk Expenditures Graphs
303	Juvenile Court Clerk Budget Summary
304	Juvenile Court Clerk
305	Juvenile Court Clerk IV – D Support

## Other Funds

### Debt Service Fund

*The Debt Service Fund was established to account for all principal and interest payments of the County's long-term debt. Long-term debt is composed of Hamilton County General Obligation Bonds, Department of Education Debt, Certificates and Notes Payable.*

308	Debt Service Expenditures Graph
309	Debt Service Budget Summary
310	Debt Service Function / Comments
312	Debt Service Requirements Graph
313	Debt Service Requirements Schedules
316	Summary of Debt Service and Other Obligations

# Capital Improvement Program

*Included in this section are the descriptions and available funding of existing capital projects that have been financed through previous bond issues, capital outlay notes, grants or the General Fund.*

<b>318</b>	<b>CIP Purpose and Process</b>
<b>320</b>	<b>Current Capital Improvement Projects</b>

# Department of Education

*The Hamilton County Commission levies taxes for the operations of the school system and issues debt for all significant capital projects. The budget for the school system is prepared by the superintendent and his staff and presented to the nine-member elected Board of Education before it is presented to the Hamilton County Commission.*

<b>327</b>	<b>Superintendent's Letter</b>
<b>328</b>	<b>Budget Policy Document</b>
<b>337</b>	<b>Hamilton County Schools Strategic Plan 2011</b>
<b>362</b>	<b>Department of Education Expenditure Graph</b>
<b>363</b>	<b>Department of Education Budget Summary</b>

# Personnel

<b>365</b>	<b>Personnel Changes</b>
<b>367</b>	<b>County's Compensation Package and Summary of County's Pay Plan</b>
<b>369</b>	<b>Personnel Schedule</b>

# Glossary





## HOW TO USE THIS DOCUMENT

---

The FY 08 Budget Document is organized into eight major sections. These are the Introduction, General Fund (with eight total tabs), Special Revenue Funds, Debt Service Fund, Capital Improvements Program (CIP), Department of Education, Personnel Schedule and Glossary.

### INTRODUCTION

The introduction begins with two separate letters, one from the County Mayor and one from the County Finance Administrator, transmitting the FY 08 budget document. The two budgetary financial summaries with facing revenue and expenditure pie charts are designed to provide the reader with a quick overview of the County's FY 08 Budget. An organizational chart is included and a profile of Hamilton County with selected demographic, economical and statistical information. There is also a budget calendar and sections describing the County's financial policies and procedures.

### GENERAL FUND

This section includes departmental expenditure summaries for all units of the General Fund, which include the Constitutional Offices, Supported Agencies, Unassigned Departments, Finance, Public Works, Human Services and Health Services Divisions, each of which have their own tabbed section. Also provided is a separate program description for each department within these divisions, along with the department function, performance objectives (if adopted), personnel schedules and program comments.

### SPECIAL REVENUE FUNDS

The Sheriff's Fund and the Juvenile Court Clerk Fund departmental goals and objectives are included in this section. Also included are the departmental expenditure summaries.

### DEBT SERVICE FUND

This section includes a short narrative about the outstanding general obligation debt of Hamilton County with accompanying financial schedules

### CAPITAL IMPROVEMENTS PROGRAM

This section provides a general overview of the County's Capital Improvements Program.

### DEPARTMENT OF EDUCATION

The Department of Education (DOE), a component unit of Hamilton County, is presented in this section. The DOE receives the majority of its funding from property taxes collected by the County and from the State of Tennessee Basic Education Program (BEP) revenues.

### PERSONNEL SCHEDULE

Included in this section is a summary of the budgeted employees for four fiscal years, with a narrative describing the budgetary impact of significant changes.

### GLOSSARY

A listing of words and their definitions which may not be familiar to the average user are presented here.





HAMILTON COUNTY  
OFFICE OF THE COUNTY MAYOR  
208 Courthouse  
Chattanooga, Tennessee 37402

**TO THE BOARD OF COUNTY COMMISSIONERS  
AND CITIZENS OF HAMILTON COUNTY**

July, 2007

As County Mayor and Fiscal Agent, it is my duty and pleasure to present Hamilton County's Budget for fiscal year 2008. We have prepared a balanced budget that includes a twenty-six cent, per one hundred dollars of assessed value, increase in the tax rate. Through careful planning, this budget continues to provide our community with excellent services at the lowest possible cost.

The County has as its highest priority four primary initiatives; economic development, quality education, sound financial operations and preserving our natural resources to guarantee a high quality of life for Hamilton County citizens.

In FY 2007, Hamilton County worked with the City of Chattanooga and the Chamber of Commerce in recruiting or expanding twenty-eight businesses, bringing an additional \$457 million and 1,818 new jobs into Hamilton County. We also worked closely with Governor Phil Bredesen and the Hamilton County Legislative Delegation to change the funding formula for the Basic Education Program which will result in a more equitable funding for education. With the passage of the FY 2008 budget, we secured a fiscal budget allowing Hamilton County to improve services and fund necessary infrastructure while still maintaining a strong fund balance. We continue to seek ways to operate cost effectively and be environmentally sensitive.



Claude Ramsey  
*County Mayor*

We encourage our employees to participate in the County's Professional Development Academy which was initiated as part of county government's succession management planning. In March 2007, twenty-five County employees completed the first "six-month" training program.

I am pleased with the advances we have made with our Step ONE and Read 20 initiatives to make Hamilton County a better place to live. I encourage all of us to continue moving forward in our effort to make Hamilton County a healthier, better educated community.

I am excited about the future of our community and deeply appreciate the County employees and citizens who have worked so hard to sustain the community spirit that is driving our progress.

Sincerely,

Claude Ramsey  
*County Mayor*

**Visit our website at [www.hamiltontn.gov](http://www.hamiltontn.gov)**









## TO THE COUNTY MAYOR AND THE COUNTY BOARD OF COMMISSIONERS

It is my pleasure to present to you the Comprehensive Annual Budget Report of Hamilton County, Tennessee, for fiscal year 2008. This budget has been balanced with a twenty-six cent, per one hundred dollars of assessed value, increase in property taxes for Hamilton County General Government. This increase was necessary to maintain the level of services provided in our community.

The three overriding themes reflected in this budget are:

- Preserving the progress in Education
- Continuing the performance-based pay plan and funding employee benefit increases
- Pay-as-you-go funding for Capital Outlay

### **PRESERVING THE PROGRESS IN EDUCATION**

The Department of Education, a component unit of Hamilton County, with an approved budget of \$320,524,292 represents 58% of the total County budget. The total increase of \$7,679,407 is fully revenue supported and explained in Exhibit I.

During this past year, the Tennessee State Legislature passed major reform to the Basic Education Plan funding formula. This revenue increase along with other increases in property tax growth and local sales taxes provided adequate funding for the estimated growth in unavoidable cost increases for Budget 2008. Property tax and local sales tax growth for Budget 2008 is estimated to be approximately 2% over the prior budget year.

### **CONTINUING THE PERFORMANCE-BASED PAY PLAN AND IMPROVING EMPLOYEE BENEFITS FOR HAMILTON COUNTY GENERAL GOVERNMENT**

In 2001, Hamilton County initiated a performance-based pay plan in order to reward outstanding performance, foster quality services and improve employee morale. This pay plan, now in its seventh year, will be funded from revenue growth and strategic economic spending. This year's phase of the plan will cost \$3,623,885.

Medical costs continue to increase despite our efforts to control them. The cost of health insurance for Hamilton County General Government increased by \$1,477, 222 this fiscal year.

As a result of an actuarial valuation, \$1,600,000 has been appropriated in the 2008 budget to fund the estimated annual required contribution for Hamilton County General Government's other post employment benefits.

### **PAY-AS-YOU-GO CAPITAL FUNDING**

Capital outlay funding appropriated from the General Fund totals \$4,153,591. This represents an 89.3% increase over the 2007 budget year. Of the total capital outlay budget, the Constitutional Offices were allocated 22.34%, Supported Agencies 1.55%, Unassigned Departments 26.00%, Finance Division 4.78%, Public Works Division 7.94%, Human Services Division 32.58% and the Health Services Division 4.81%.

### **EXHIBIT I**

Hamilton County Department of Education  
Explanation of Revenue Budget Increases

Revenue Increases		Expenditure Increases	
Property Tax Growth	\$ 2,322,258	State Salary Increase	\$ 3,800,000
Basic Education	5,443,090	Salary Step Increase	1,300,000
Local Sales Tax	1,662,737	Salary Increase for Subs	46,000
Federal Funding	(2,023,448)	TCRS Retirement Rate Increase	183,000
Miscellaneous	274,770	Fourteen Addtl Positions	926,500
		Building and Maintenance	210,000
		External Fees	1,034,500
		Capital Outlay	179,407
	<b>\$ 7,679,407</b>		<b>\$ 7,679,407</b>



# FISCAL YEAR 2008 BUDGET HIGHLIGHTS

The adopted budget totals \$556,592,681 and represents an overall increase of \$22,689,042, which is a 4.25% increase over the prior year's adopted budget. A brief recap of the increase is presented in Exhibit II, III and IV below.

## EXHIBIT II – ESTIMATED AVAILABLE FUNDS

Revenue Classifications	FY 2008 Adopted Budget	FY 2007 Adopted Budget	Increase/ (Decrease)	Percentage Change
Use of Fund Balance	\$ (6,768,070)	\$ 1,325,257	\$ (8,093,327)	-610.70%
Property Taxes and				
Trustee Excess Fees	233,323,904	211,009,461	22,314,443	10.58%
Local Sales Tax	70,938,104	68,827,172	2,110,932	3.07%
Constitutional Offices	12,652,295	12,263,229	389,066	3.17%
Intergovernmental	155,356,443	152,792,344	2,564,099	1.68%
Inter-Fund Transfers	52,687,679	51,885,882	801,797	1.55%
Other Sources	38,402,326	35,800,294	2,602,032	7.27%
<b>Total Estimated Revenues</b>	<b>\$ 556,592,681</b>	<b>\$ 533,903,639</b>	<b>\$22,689,042</b>	

Property taxes increased over the prior year's budget. Most of the County General's portion is a result of the twenty-six cent property tax increase plus a projected growth of 2%. The Department of Education also projected growth of 2% for property tax revenue. Property tax growth projections are based on current information provided by the Assessor of Property. The Assessor monitors and evaluates completed construction not currently on property rolls, and makes projections of values on construction in progress that is expected to be completed by the date of the property tax levy.

Local sales taxes have been estimated to increase 3% for the General Fund and the Department of Education Fund. A trend analysis is maintained by the budget staff on collections and is used to project sales tax revenue.

Projected revenues from Constitutional Offices include an increase in interest income of \$405,000 and miscellaneous decreases of \$15,934 across all budgeted funds.

Intergovernmental revenue increases over the last fiscal year are primarily due to increased funding for the Department of Education's Basic Education Program offset by decreases in Federal funds, State funds for the Career Ladder Program and other miscellaneous state programs as illustrated in Exhibit I. The General Fund's increases can be seen in Exhibit IV. Intergovernmental revenue projections are provided by the individual departments based on approved grant revenues for the 2008 budget year.

Interfund transfers into the General Fund from the Hotel/Motel Fund decreased. These transfers were offset by a reduction of expenditure appropriations previously budgeted from these funds. Expenditure appropriations from the General Fund into the Debt Service Fund, the Sheriff's Fund and the Juvenile Court Clerk's Fund are reflected as an increase in Interfund Transfers to the same funds.

## EXHIBIT III – ESTIMATED EXPENDITURES

Expenditure	FY 2008 Adopted Budget	FY 2007 Adopted Budget	Increase/ (Decrease)	Percentage Change
Dept of Education	\$ 320,524,292	\$ 312,844,885	\$ 7,679,407	2.45%
County General Fund	179,893,462	168,134,137	11,759,325	6.99%
County Sheriff's Fund	26,151,740	24,252,490	1,899,350	7.83%
Narcotics Enforcement	400,000	550,000	(150,000)	-27.27%
State Sexual Offenders	18,480	15,588	2,892	18.55%
Juvenile Court Clerk	2,115,040	1,910,967	204,073	10.68%
Debt Service Fund	27,489,667	26,195,572	1,294,095	4.94%
<b>Total Estimated Expenditures</b>	<b>\$ 556,592,681</b>	<b>\$ 533,903,639</b>	<b>\$22,689,042</b>	

An increase in the Debt Service Fund budget (Exhibit III) was required to support additional interest payments related to the Commercial Paper Program.

The Sheriff's Fund expenditure budget increase of \$1,899,250 is made up of \$830,422 for fourteen additional School Resource Officers, medical insurance cost increase of \$312,296, Pay Plan increase of \$672,796, and miscellaneous increases and decreases totaling \$83,736.

The Narcotics Enforcement Division expenditure budget decreased \$150,000 due to a reduction in grant revenues while the State Sexual Offender's budget allows for an increase in grant revenues.

The Juvenile Court Clerk's budget increase of \$204,073 was partially due to a decrease in revenues of \$49,000, an increase in medical insurance and the Pay Plan adjustments of \$27,847 and \$82,947 respectively, in addition to salary and benefit cost increases for existing employees of \$44,279.

The major increases related to the General Fund (Exhibit IV) are the allocation for raises according to the County's Pay Plan; the appropriation to the Debt Service Fund for debt principle and interest payments; employee benefit increases related to the Other Post Employment Benefits; the General Fund appropriation for pay-as-you-go Capital Out-

lay expenditures; increase in employee medical insurance premiums; contract cost increase to the Hamilton County Workhouse (CCA) services; an increase to the Sheriff's appropriation to support fourteen School Resource Officers; and other miscellaneous increases and decreases. One major decrease in the General Fund expenditure budget was due to a change in the funding formula for the local Convention and Visitors Bureau (CVB). Previously, the CVB was funded by inter-fund transfers from the Hotel/Motel fund. The 2008 budget reflects this change whereby Hotel/Motel fund revenues will be directly dispersed to the Convention and Visitors Bureau and the related expenditures will be paid by the CVB accordingly. Similarly, miscellaneous revenues reflect an offsetting decrease.

#### EXHIBIT IV

Hamilton County General Fund  
Explanation of Expenditure Budget Increases

Revenue Increases		Expenditure Increases	
Property Tax Rate Incr.	\$ 17,368,000	Pay Plan Raises	\$ 3,623,885
Property Tax Growth	1,704,185	Debt Service Appropriation	2,015,209
Excess Fees	400,000	Other Post Employment Bnfts.	1,600,000
Local Sales Tax	448,195	Capital Outlay	1,959,304
Investment Earnings	405,000	Medical Insurance	1,477,222
State Shared Revenue	1,000,000	CCA Contract/Workhouse	869,370
Ambulance Fees	1,045,671	Sheriff's Fund Appropriation	830,422
Miscellaneous	(2,005,163)	Convention/Visitors Bureau	(2,589,952)
Use of Fund Balance	(8,606,563)	Miscellaneous	1,973,865
	<b>\$ 11,759,325</b>		<b>\$ 11,759,325</b>

#### FINANCIAL CONDITION AND OUTLOOK

Hamilton County is in a strong position financially and our future is bright due to the sound management practices that have enabled the County to maintain solid fund balances and reserves. One measure of an entity's financial strength is the level of its fund balances. The County has consistently maintained a General Fund balance equivalent to at least three months of expenditures, which places us in an excellent position to adequately address most fiscal emergencies.

The County's good bond ratings (Aa1 by Moody's and AA+ by Fitch for General Obligation Bonds as well as P-1 by Moody's and F1 by Fitch for General Obligation Commercial Paper) are further evidence of its financial strength. These ratings indicate that the County's bonds

are considered to be very high investment quality which translates to lower interest rates and corresponding lower interest payments. Having solid financial policies and strong financial reserves are principal reasons for these ratings.

#### CONCLUSION

Hamilton County is well postured for the coming year. Through our newly implemented "Professional Development Academy" for our managers, we are realizing our vision of "providing efficient quality services by everyone, every way, every day". Our leaders are focused on continuing our momentum for improvement.

While the capacity to predict financial outcomes with a degree of certainty is somewhat limited, the foremost factors affecting fiscal planning are the condition of the economy and continuing sound management practices. With our strong financial management, our strong fund balances and our plans for future growth, Hamilton County has a sound financial future.

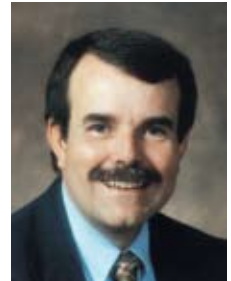
#### ACKNOWLEDGEMENTS

I would like to thank the staff of the Finance Division for their dedication in the preparation of this report. I would also like to express my gratitude for the support we have received from the County Mayor and the County Board of Commissioners in conducting the financial operations of Hamilton County in a sound and progressive manner.

Respectfully submitted,



**Louis S. Wright, CPA**  
*Administrator of Finance*



**ALBERT C. KISER**  
*Assistant Administrator of Finance*



**LOUIS S. WRIGHT**  
*Administrator of Finance*

# HAMILTON COUNTY'S LONG-TERM INITIATIVES

Hamilton County focuses on four primary initiatives:

- Economic and Workforce Development
- Sound Financial Operations
- Education
- Preserving Our Natural Resources

We are proud of our achievements and believe that we are making a difference in our community and in the lives of those who depend on us to make the most of our resources. It is our commitment to our primary initiatives that guides our plans for the future and directs us toward reaching our vision of “providing efficient quality services by everyone, in every way, everyday.”

## ECONOMIC AND WORKFORCE DEVELOPMENT

Our economic and workforce development initiative reflects our goal of a viable and sustainable economic future for our community. We believe that this is vital for the future of those who currently live here and for those who look to Hamilton County as their future home.

***Enterprise South Industrial Park*** – Efforts continue to market the TVA-certified megasite to major industrial prospects. It has the roads, railroad lines, sewer, water, electricity, and environmental clearance to become a major industrial site. The megasite designation substantially broadens the region's economic development opportunities. Enterprise South is a top-tier industrial park that offers significant strategic business advantages. Companies have access to powerful technical and research assets, a skilled labor pool, and a first-rate quality of life coupled with affordable cost of living.

***Enterprise South Industrial Park Infrastructure Improvements*** – Progress is evident in developing roads serving the Enterprise South Industrial Park. The State of Tennessee has constructed a new interchange on I-75 to provide Interstate access to future industries at the park. Discovery Drive, the first interior connector road, was completed in 2006. The State recently awarded the County grant support for the development of a wetland area/detention basin necessary for industrial expansion. Approximately 600 acres of the megasite has been cleared to make it more suitable for development. Prospects will more easily visualize potential sites and will have a shorter time of construction as a result.

***Center for Entrepreneurial Growth*** – The Hamilton County Center for Entrepreneurial Growth (CEG) has continued to grow in support of the development of new high-tech businesses. The CEG is now under the organizational structure of the Chattanooga Area Chamber of Commerce. Under the ongoing leadership of Director John Riddell, the CEG now has a new technology incubator facility in the Engineering Building at the University of Tennessee at Chattanooga. Program participants have access to the latest in high-tech equipment and faculty to support their efforts. The Hamilton County CEG has assisted the startup of 47 new enterprises. The County also supports and houses the operation of the Chattanooga Technology Council, a group of area entrepreneurs who are interested in technology transfer and development.

***Workforce Development Initiative*** – The County continues to work with various agencies in the community that provide educational and training services in order to increase the workforce available for major projects such as the Chickamauga Lock replacement as well as future jobs at Enterprise South Industrial Park. With many members of this community's skilled labor force nearing retirement, the County must replace these workers, or employers will go outside the area for project hires. Community educational and industrial representatives have agreed that we must place new emphasis on the value of technical education to build our skilled labor pool.

Proposed programs include a new adult high school with after-hours classes that emphasize career and technical coursework. Additional services planned include programs that emphasize life-skill development and on-the-job work experience to assist school dropouts and the hard-core unemployed. The County is also a partner in developing a new industrial training center at Enterprise South.

***Three Star Certification*** – Hamilton County's Development Department continues to coordinate our community's re-certification effort as a Three Star Community by the State of Tennessee's Department of Economic and Community Development. The State's Three Star Program honors communities that have attained excellence in community and economic development. As a result of this award, the County and its municipalities will receive bonus points on grant applications and preferential rates for industrial and business development loans.

## **SOUND FINANCIAL OPERATIONS**

A sound financial operation encompasses more than a set of audited financial statements. It requires an environment in which decisions are based on evaluating the County's goals and objectives for providing quality services with available resources. The County prides itself on being proactive in this regard. To achieve financial stability we have devoted ourselves to improving our credit status and our financial reports. We have enhanced our Information Technology Services (ITS) by providing programming needs to serve all County departments.

**Bond Rating** – As a result of realistic and conservative financial planning, the County continues to maintain a strong financial position and excellent bond rating. Our Bond Rating with Moody's Investors Service is Aa1 and AA+ with Fitch Ratings.

**Government Finance Officers Association Awards** – Hamilton County is proud of its continuing success in the Distinguished Budget Presentation Awards program certified by GFOA. We have received this award every year since 2003. We have also received the Achievement in Excellence in Financial Reporting for the Comprehensive Annual Financial Report since 1981 and the Certificate of Excellence for Popular Reporting every year since 1998.

**Data Management for Wastewater Treatment Authority** – The Wastewater Treatment Authority (WWTA) is responsible for sewer permitting and development. This includes the permits, appropriate inspections, and records management. ITS developed an application that manages this function for the WWTA.

**Storm Water Permitting System** – Geographic Information System (GIS) and ITS are collaborating to develop a GIS-based permitting system for the Storm Water Department. This application will take advantage of the geographic referenced data found in the GIS and create a premier permitting system for those users.

**Criminal Justice Data System** – ITS has initiated the conversion of the Criminal Justice Data System (CJUS), which has resided on the mainframe for more than twenty years, to a client server platform. CJUS serves Sessions Court, Criminal Court, and the Sheriff's Department. These all interact through the CJUS system to manage the caseload and records of the County's Criminal Justice System.

## **EDUCATION**

Hamilton County focuses on education as a responsibility of the entire community. Our educational process is directed toward the whole person. Educational advancement is crucial to the future of our County and the success of our children in life.

**Basic Education Program** – Hamilton County Officials worked closely with Governor Bredesen and the Hamilton County Legislative Delegation to change the state funding formula for the Basic Education Program (BEP), which will result in more than \$25 million in additional school funding each year. Governor Bredesen credits Mayor Ramsey as a driving force behind the BEP reform measure.

**School Resource Officers** – In July 2007, the Hamilton County Commission approved the Sheriff's request for funding 14 additional SRO positions. The process of interviewing, selecting, training and equipping Sheriff's Deputies to become the next members of the select group of officers was immediately initiated for placement later this year. During this time, existing SROs have reached out to the community in various ways.

In August, they began presenting Internet Safety Material provided by the National Center for Missing and Exploited Children within their assigned schools and to community groups. The program has been a popular way to help parents and students guard against the dangers of online predators. Two SROs have been certified in gang awareness to preempt gang-related crime in area schools and to educate parents about the signs and symptoms of gang involvement as well as preventative measures they can take to address the problem.

**Read 20** – As an outgrowth of Hamilton County's Education Summit, Hamilton County enlisted the help of 140 volunteers in a strategic planning process to improve our children's reading skills. This measure follows studies that confirm the importance of reading for a child's success in school and future life. In order to achieve excellence in education, Hamilton County has hired a full-time Chief Reading Officer Ms. Shawn Kurrelmeir-Lee who will promote reading and parental participation in the community. *Read 20* enlists parents to read to their children at least 20 minutes a day. The program's goal is by

the year 2010, 95% of all Hamilton County students will read at or above grade level by the end of the 3rd grade and thereafter will maintain or improve their grade level equivalence.

***Parents Are First Teachers*** – The Parents Are First Teachers program provides quality early childhood education and guidance by Parent Educators, trained and certified by the Parents as Teachers National Center. PAFT is designed to improve parenting practices, identify and refer children with developmental delays, increase children's readiness for school, and encourage parents to be involved in their future education.

***Step ONE*** – Is a countywide initiative addressing the problem of obesity in our community by promoting physical fitness, nutrition, and healthy lifestyles. Housed in the Hamilton County Health Department, the effort is guided by the County Mayor and the Hamilton County Regional Health Council. *Step One* serves citizens of all ages in an effort to combat the ill health effects of obesity and sedentary lifestyles.

### **PRESERVING OUR NATURAL RESOURCES**

Hamilton County citizens and visitors are able to enjoy one of the finest naturally beautiful environments in the Southeast. The County's surrounding mountains, state and national forests, as well as its rivers and streams have afforded this area its reputation as a leading destination for outdoor activities.

***Enterprise South Nature Park*** – Hamilton County has secured the transfer of 2,700 acres of land from the former Volunteer Army Ammunition Plant for recreational use. The Nature Park will feature miles of walking and biking trails, horseback riding, and other amenities when fully developed. The park also represents a valuable recreational asset to industries locating at Enterprise South. The Nature Park is one of the largest locally managed parks in the State of Tennessee.



***Hamilton Shines*** – This program is designed to reduce the practice of littering through education and enforcement. Littering is not a problem that is specific to any one area or demographic, it occurs anywhere. *Hamilton Shines* strives to foster a sense of community pride in programs for

school children and to inform all citizens on the consequences of littering.

***Hamilton County Recycling Department*** – The Recycling Department has grown with six recycling centers now serving the public in strategic locations throughout the County. The program reduces dependence on landfills, conserves natural resources, and protects public health and the environment. The effort also targets proper disposal and recycling of electronics, motor oil, and hazardous materials.

***Tennessee Riverpark*** – Hamilton County and the City of Chattanooga have cooperated in establishing the Tennessee Riverpark as one of the Southeast's foremost recreation facilities. With 12 miles of lighted concrete trails, parks, piers, and bridges along its route, the Riverpark is a valuable resource for recreation and alternative transportation. It has served to bring the public into a closer, more protective relationship with the Tennessee River. The Riverpark has also helped to foster community pride and guide responsible development of the riverfront.

***Moccasin Bend National Park*** – With a history of 10,000 years of human occupation, Moccasin Bend has been long recognized as a unique national archaeological treasure, whose preservation has been assured by its inclusion in the National Park system in 2003. Hamilton County, the City of Chattanooga, organizations, and private citizens worked together over a number of years to create the park and protect its resources for future generations.







## HAMILTON COUNTY GENERAL GOVERNMENT OFFICIALS

(as of June 30, 2007)

Claude T. Ramsey, *County Mayor*  
Jeannine Alday, *Chief of Staff*  
Rebecca R. Hunter, *Director of Human Resources*  
Dan Saieed, *Director of Development*

### Board of Commissioners

Curtis D. Adams  
Gregory Beck  
John Brooks  
Richard Casavant  
Jim Copping  
Larry L. Henry, *Chairman*  
Bill Hullander, *Chairman, Pro Tempore*  
Warren Mackey  
Fred Skillern

### Legislative

Carolyn Collins, *Administrator*

### Constitutional Officers

S. Lee Akers, *Clerk & Master*  
Suzanne Bailey, *Juvenile Court Judge*  
Bill Bennett, *Assessor of Property*  
Bill Cox, *District Attorney*  
William Long, *Sheriff*  
Ardena Garth, *District Public Defender*  
Pam Hurst, *Register of Deeds*  
Bud Knowles, *Registrar-at-Large, Election Commission*  
Dr. Frank King, *Medical Examiner*  
William F. Knowles, *County Clerk*  
Paula Thompson, *Circuit Court Clerk*  
Carl E. Levi, *Trustee*  
Ron Swafford, *Juvenile Court Clerk*  
Gwen Tidwell, *Criminal Court Clerk*

### Division & Department Heads

#### AUDITING

Bill W. McGriff, *County Auditor*

#### FINANCE

Louis S. Wright, *Administrator*  
Albert C. Kiser, *Assistant Administrator of Finance*  
T. Kenneth Blankenship, *Director of Purchasing and Contract Management*  
Brian D. Turner, *Director of Information Technology Services and Director of Geographic Information Systems*  
Katherine K. Walker, *Director of Accounting*

#### HEALTH SERVICES

Becky Barnes, *Administrator*  
Tammy M. Burke, *Director of Clinical Services*  
Kaye Greer, *Director of Case Management Services*  
Bonnie Deakins, *Director of Environmental Health*  
Marti Smith, *Director of Administrative Services*  
Bill Ulmer, *Director of Community Health Services*

#### HUMAN SERVICES

Scott Schoolfield, *Administrator*  
Don Allen, *Director of Emergency Services*  
Judi Byrd, *Director of Social Services*  
Worth Lillard, *Director of Maintenance*  
Barbara Payne, *Director of Corrections*  
Ron Priddy, *Director of Recreation*

#### LEGAL

Rheubin M. Taylor, *County Attorney*

#### PUBLIC WORKS

Dan Wade, *Administrator*  
Harold Austin, *Director of Highway Department*  
Todd Leamon, *Chief Engineer, Director of Engineering*  
Pat Payne, *Director of Building Inspection*





# CITIZENS

## COUNTY BOARD OF COMMISSIONERS 209-7200

LEGISLATIVE STAFF  
209-7200  
MEDICAL EXAMINER  
493-5175

APPOINTED  
BOARDS  
AUDITING  
209-6200  
LEGAL  
209-6150

## COUNTY MAYOR 209-6100

MAYORAL STAFF  
209-6100

## CHIEF OF STAFF 209-6180

HUMAN RESOURCES  
209-6120

EQUAL EMPLOYMENT  
OPPORTUNITY  
209-6144

DEVELOPMENT  
209-6810

HEALTH SERVICES DIVISION  
209-8000  
ENVIRONMENTAL  
HEALTH 209-8110  
CLINICAL SERVICES  
209-8218  
ADMINISTRATIVE  
SERVICES 209-8010  
CASE MANAGEMENT  
SERVICES 209-8155  
COMMUNITY HEALTH  
SERVICES 209-8088

HUMAN SERVICES DIVISION  
209-6800  
EMERGENCY  
MANAGEMENT  
209-6900  
RECREATION  
842-0177  
MAINTENANCE  
209-7700  
CORRECTIONS  
209-6880  
SOCIAL SERVICES  
209-6833

FINANCE DIVISION  
209-6330  
ACCOUNTING  
209-6330  
PURCHASING  
209-6350  
FINANCIAL  
MANAGEMENT  
209-6370  
INFORMATION  
TECHNOLOGY SERVICES  
209-6250  
GEOGRAPHIC INFO  
SYSTEMS  
209-7760

PUBLIC WORKS DIVISION  
209-7800  
HIGHWAY  
855-6100  
ENGINEERING  
209-7810  
BUILDING INSPECTION  
209-7860

## CONSTITUTIONAL OFFICES

ASSESSOR — 209-7300

CHANCERY COURT CHANCELLORS — 209-7380

CLERK AND MASTER — 209-6600

CIRCUIT COURT JUDGE — 209-6700

CIRCUIT COURT CLERK — 209-6700

COUNTY CLERK — 209-6500

CRIMINAL COURT JUDGE — 209-7500

CRIMINAL COURT CLERK — 209-7500

DISTRICT ATTORNEY — 209-7400

ELECTION COMMISSION — 493-5100

JUVENILE COURT JUDGE — 209-5100

JUVENILE COURT CLERK — 209-5250

PUBLIC DEFENDER — 634-6374

REGISTER — 209-6560

SESSIONS COURT JUDGE — 209-7660

SHERIFF — 209-7000

TRUSTEE — 209-7270



# BOARD OF COMMISSIONERS



Curtis D. Adams  
*Commissioner*



Larry Henry  
*Chairman*



Gregory Beck  
*Commissioner*



Bill Hullander  
*Chairman, Pro Tempore*



John Brooks  
*Commissioner*



Warren Mackey  
*Commissioner*



Richard Casavant  
*Commissioner*



Fred Skillern  
*Commissioner*



Jim Coppinger  
*Commissioner*

# REVENUE SOURCES

## PROPERTY TAXES

Property taxes are divided into two classes (real property and tangible personal property) and represent the primary source of revenue for Hamilton County Government, accounting for 38 percent of total revenue. An assessment is made on the current appraised value of all property in Hamilton County and the current tax rate is then applied to the assessed value. Real property is appraised on a continuing basis in order to maintain a value for tax purposes that is as close to fair market value as possible. Personal property values are determined annually by information submitted to the Assessor of Property.

## REAL PROPERTY

Real property consists of land parcels and any structure or improvements on them. Moveable structures such as house trailers and mobile homes are improvements to the land and are also considered real property. Classifications are as follows:

- Industrial and commercial property, assessed at 40 percent of value, including residential buildings with two or more rental units.
- Residential property, assessed at 25 percent of value.
- Farm property, assessed at 25 percent of value. The Agricultural, Forest and Open Space Land Act provides for the assessment and taxation of farm, forest and open space land at its current use value rather than its market value.

Certain properties owned by the government, housing authorities, some nonprofit organizations and cemeteries are exempt.

## TANGIBLE PERSONAL PROPERTY

Tangible personal property includes automobiles and commercial inventories and equipment, along with all items that may be weighed, measured, felt; or touched, or are perceptible to the senses, except real property. The Tennessee Constitution sub-classifies tangible personal property as follows:

- Public utility property, assessed at 55 percent of value; except by federal court decision, the railroads, trucking and airline industries.
- Industrial and commercial property assessed at 30 percent of value. Ad valorem taxes on merchants' inventories and equipment were exempted by Tennessee statute in 1972 and later by constitutional amendment.

Both real property and personal property taxes are due October 1 of each year but are not considered delinquent until March 1 of the following year. In projecting the real property assessment tax base, the budget staff must determine the following

factors: the previous year's tax base, the cumulative assessment of all parcels reassessed during the year, and an estimate of new construction for the upcoming year. The County's automated assessment system provides continuous information on reassessed parcels, as well as the previous year's assessments.

## LOCAL SALES TAX

In 1966, Hamilton County, the City of Chattanooga and several other municipalities entered into a local option sales tax agreement whereby the respective governments have agreed to forgo their share of the local option sales tax in return for Hamilton County becoming the primary funding source for numerous agencies (i.e. 50 percent funding for the library).

Hamilton County receives 100 percent of a 2.25 percent local option sales tax which is distributed as follows:

- 50 percent for education, to be distributed in the same manner as the county property tax for school purposes.
- 50 percent on the basis of where the sale occurred. Taxes collected inside a municipality go to that municipality and taxes collected in unincorporated areas go to the County.

## BUSINESS TAXES

Business taxes are levied on retail and wholesale businesses in Hamilton County based on their gross receipts. A separate tax rate is applied to each specified category of business.

## INTERGOVERNMENTAL

Intergovernmental revenues are received from the Federal Government, the State of Tennessee or the local municipalities and are designated for specific purposes within the County. These revenues are projected by recipient departments and agencies based on the latest information available from the agencies.

## EXCESS FEES

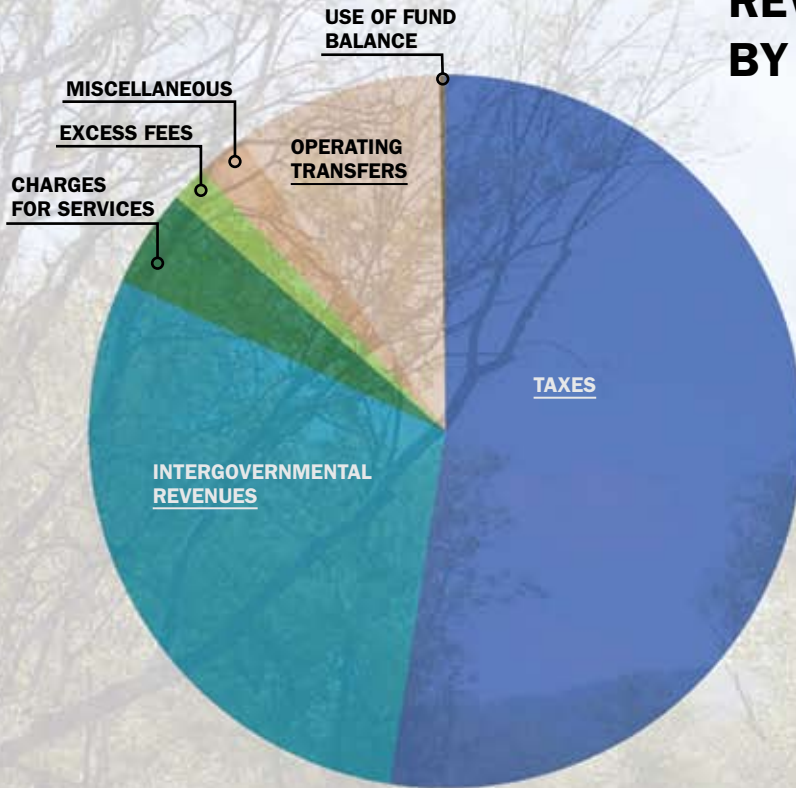
Excess fees consist of revenue collected by the various Constitutional Offices, including charges for services provided, less the budgeted salaries. Revenue estimates in this category are developed based on historical trends and projected increases in the Constitutional Offices' budgets.

## CHARGES FOR CURRENT SERVICES

The major revenue source is fees charged by the Hamilton County Health Department. There are five medical clinics in Hamilton County, whose charges are based on a sliding scale predicated on the annual published federal poverty level.

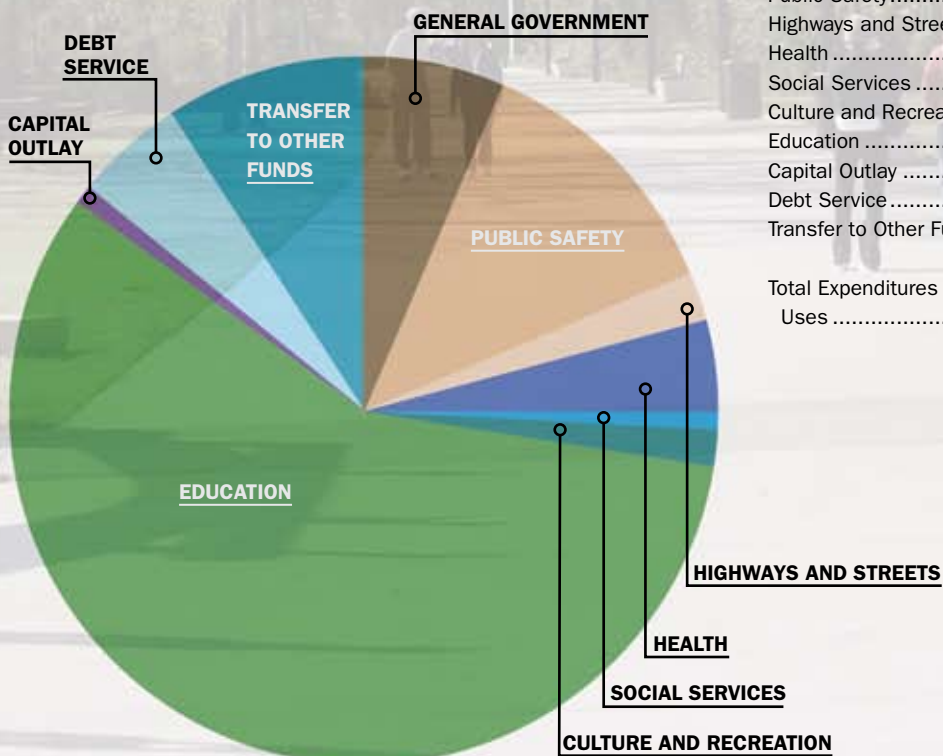


## REVENUES BY FUNDING SOURCES



Taxes .....	\$ 306,794,008	55.12%
Intergovernmental Revenues ...	156,724,463	28.16%
Charges for Services .....	25,265,413	4.54%
Excess Fees .....	8,400,000	1.51%
Miscellaneous.....	13,489,188	2.42%
Operating Transfers .....	52,687,679	9.47%
	<u>\$ 563,360,751</u>	
Use of Fund Balance .....	\$ (6,768,070)	-1.22%
Total Revenues and Other Financing Sources .....	<u>\$ 556,592,681</u>	<u>100.00%</u>

## EXPENDITURES BY USES



General Government.....	\$ 35,765,390	6.43%
Public Safety.....	68,130,938	12.24%
Highways and Streets .....	12,532,598	2.25%
Health .....	22,845,300	4.10%
Social Services .....	5,326,996	0.96%
Culture and Recreation .....	9,160,526	1.64%
Education .....	320,524,292	57.59%
Capital Outlay .....	4,153,591	0.75%
Debt Service .....	27,489,667	4.94%
Transfer to Other Funds .....	50,663,383	9.10%
	<u>\$ 556,592,681</u>	<u>100.00%</u>

# BUDGET SUMMARY

## REVENUE AND EXPENDITURES — ALL FUNDS COMBINED

Listed below are the resources and expenditures/expenses of all Governmental funds within the County's budget, along with the Department of Education, a component unit of Hamilton County.

	<b>Actual 2006</b>	<b>Projected 2007</b>	<b>Budgeted 2008</b>
<b>FUNDING SOURCES</b>			
Property Taxes	201,487,747	190,145,962	229,408,904
Local Sales Taxes	67,256,041	70,317,207	70,938,104
Other Taxes	5,751,356	19,382,996	6,447,000
Licenses and Permits	1,118,017	1,336,722	1,108,000
Intergovernmental Revenues	162,231,332	173,156,749	156,724,463
Charges for Services	25,254,259	27,918,096	25,265,413
Fines and Forfeits	1,859,229	1,687,271	1,869,301
Investment Earnings	3,415,950	4,263,345	3,301,000
Excess Fees	8,300,000	8,851,565	8,400,000
Miscellaneous	9,354,740	7,841,394	7,210,887
Operating Transfers	49,304,541	49,274,645	52,687,679
Total Available Resources	<u>535,333,212</u>	<u>554,175,952</u>	<u>563,360,751</u>
<b>EXPENDITURES</b>			
General Government	29,137,811	32,308,907	35,765,390
Public Safety	62,138,669	66,986,976	68,130,938
Highways and Streets	10,889,725	10,083,282	12,532,598
Health	18,892,452	21,352,301	22,845,300
Social Services	4,726,913	4,618,386	5,326,996
Culture and Recreation	10,256,300	11,153,800	9,160,526
Education	312,750,822	328,880,183	320,524,292
Capital Outlay	2,314,562	2,547,216	4,153,591
Debt Service			
Principal Retirement	20,263,368	20,236,308	18,868,477
Interest and Fiscal Charges	6,800,426	6,626,765	8,621,190
Other Uses	45,702,530	47,010,621	50,663,383
Total Expenditures/Expenses and Other Uses	<u>523,873,578</u>	<u>551,804,745</u>	<u>556,592,681</u>
Excess of Available Resources over (under) expenditures/expenses and other uses	11,459,634	2,371,207	6,768,070
Encumbrances	798,474	(1,034,900)	—
Excess of non budgeted revenue and other financing sources over non budgeted expenditures	2,756,147	1,219,256	—
Beginning Fund Balance	<u>74,929,921</u>	<u>89,944,176</u>	<u>92,499,739</u>
Ending Fund Balance	<u><u>89,944,176</u></u>	<u><u>92,499,739</u></u>	<u><u>99,267,809</u></u>





# BUDGET SUMMARY FOR FISCAL YEAR 2008 — BY FUND TYPE

	General Fund	Special Revenue Funds	Debt Service Fund	Hamilton County Department of Education (Component Unit)	Total
<b>FUNDING SOURCES</b>					
Property Taxes	116,184,980	—	—	113,223,924	229,408,904
Local Sales Tax	13,850,784	—	—	57,087,320	70,938,104
Other Taxes	6,447,000	—	—	—	6,447,000
Licenses and Permits	1,067,500	40,500	—	—	1,108,000
Intergovernmental Revenues	18,098,123	2,707,088	827,367	135,091,885	156,724,463
Charges for Services	13,760,654	—	450,000	11,054,759	25,265,413
Fines and Forfeits	1,288,301	581,000	—	—	1,869,301
Investment Earnings	1,800,000	10,000	12,000	1,479,000	3,301,000
Excess Fees	8,400,000	—	—	—	8,400,000
Miscellaneous	4,869,801	1,060,446	—	1,280,640	7,210,887
Operating Transfers	894,389	24,286,226	26,200,300	1,306,764	52,687,679
Use of Fund Balance	(6,768,070)	—	—	—	(6,768,070)
Total Revenues and Other Financing Sources	<u>179,893,462</u>	<u>28,685,260</u>	<u>27,489,667</u>	<u>320,524,292</u>	<u>556,592,681</u>
<b>EXPENDITURES</b>					
General Government	35,765,390	—	—	—	35,765,390
Public Safety	39,445,678	28,685,260	—	—	68,130,938
Highways and Streets	12,532,598	—	—	—	12,532,598
Health	22,845,300	—	—	—	22,845,300
Social Services	5,326,996	—	—	—	5,326,996
Culture and Recreation	9,160,526	—	—	—	9,160,526
Education	—	—	—	320,524,292	320,524,292
Capital Outlay	4,153,591	—	—	—	4,153,591
Debt Service	—	—	—	—	—
Principal Retirement	—	—	18,868,477	—	18,868,477
Interest and Fiscal Charges	—	—	8,621,190	—	8,621,190
Transfers to Other Funds	50,663,383	—	—	—	50,663,383
	<u>179,893,462</u>	<u>28,685,260</u>	<u>27,489,667</u>	<u>320,524,292</u>	<u>556,592,681</u>



# HAMILTON COUNTY DEMOGRAPHICS AND STATISTICS

## FORM OF GOVERNMENT

Date of Organization: 1819

The form of government is Commission/County Mayor. The County Commission is composed of nine members, with each being elected from one of nine districts within the geographic boundaries of the County. The County Mayor is elected at-large and is not a member of the County Commission.

## PUBLIC EDUCATIONAL FACILITIES

High School .....	10
Middle – High .....	7
Middle School .....	15
Elementary – High .....	1
Elementary – Middle .....	1
Elementary School.....	44
Exceptional and Adult Schools .....	2
Enrollment at public facilities .....	40,430

There are 35 private and parochial schools in the Hamilton County area with combined enrollment of over 11,351.

Source: Hamilton County Department of Education as reported to the State of Tennessee

## COLLEGES AND UNIVERSITIES

The University of Tennessee at Chattanooga, Chattanooga State Technical Community College, Cleveland State Community College, Bryan College, Covenant College, Lee University, Southern Adventist University, Tennessee Temple University, Tennessee Wesleyan College, University of the South

## ELECTIONS

Registered Voters .....	184,099
Votes cast in last election .....	109,401
Registered voters voting .....	59.43%

## POLICE PROTECTION

Sworn Police Officers .....	600
Correctional Officers .....	137
Civilian Employees .....	245
Other Police Personnel .....	31





## LAND AREA AND USAGE

Miles of paved streets .....	2,380
Area.....	542 square miles

## POPULATION: OFFICIAL U.S. CENSUS

1950 .....	208,255
1960 .....	237,905
1970 .....	255,077
1980 .....	287,740
1990 .....	285,536
2000 .....	309,600
2005 .....	310,935
2006 .....	312,905

*US Census Bureau — Tennessee County Population Estimates, Tennessee Quickfacts (quickfacts.census.gov)*

## ECONOMIC

### BUILDING PERMITS

<i>Calendar Year</i>	<i>Number Issued</i>	<i>Value of Permits</i>
2000 .....	1,211	102,659,261
2001 .....	1,228	108,336,415
2002 .....	1,419	130,038,198
2003 .....	1,531	164,739,480
2004 .....	1,609	174,226,572
2005 .....	1,616	188,192,436
2006 .....	1,600	188,064,000

### PER CAPITA INCOME

2006 .....	\$24,277
------------	----------

*Chattanooga Area Chamber of Commerce*

## TRANSPORTATION SERVICES

Airport: Lovell Field operated by the Chattanooga Metropolitan Airport Authority.

Airline carriers: Allegiant, American Eagle, Continental Express, Delta Connection, Northwest Airlink, and US Airways Express

Passenger Flow .....	503,468
----------------------	---------

Railway service: Norfolk Southern Railway System, CSX Transportation System

Highways —

Interstate Highways .....	3
U. S. Highways.....	7
State Highways .....	19

Local mass transportation service — Chattanooga Area Regional Transportation Authority

Buses .....	61
Routes .....	18

## CULTURE AND RECREATION

### CULTURAL ACTIVITIES & FACILITIES

Tennessee Aquarium, Creative Discovery Museum, Hunter Museum of American Art, the Houston Museum of Decorative Arts, Bluff View Art District, Chattanooga Ballet, Chattanooga Theatre Centre, UTC Fine Arts Center, the Chattanooga Symphony and Opera Association, the Arts & Education Council, the Chattanooga Boys Choir, the Chattanooga Girls Choir, Bessie Smith Performance Hall, African-American Museum, Tivoli Theatre, and Soldiers and Sailors Memorial Auditorium

### RECREATIONAL FACILITIES

Parks.....	98
Golf Courses .....	21
Recreation Centers.....	17
Ball Fields.....	154
Public Tennis Courts.....	161
Swimming Pools.....	32
Theatres.....	15
Bowling Alleys.....	3

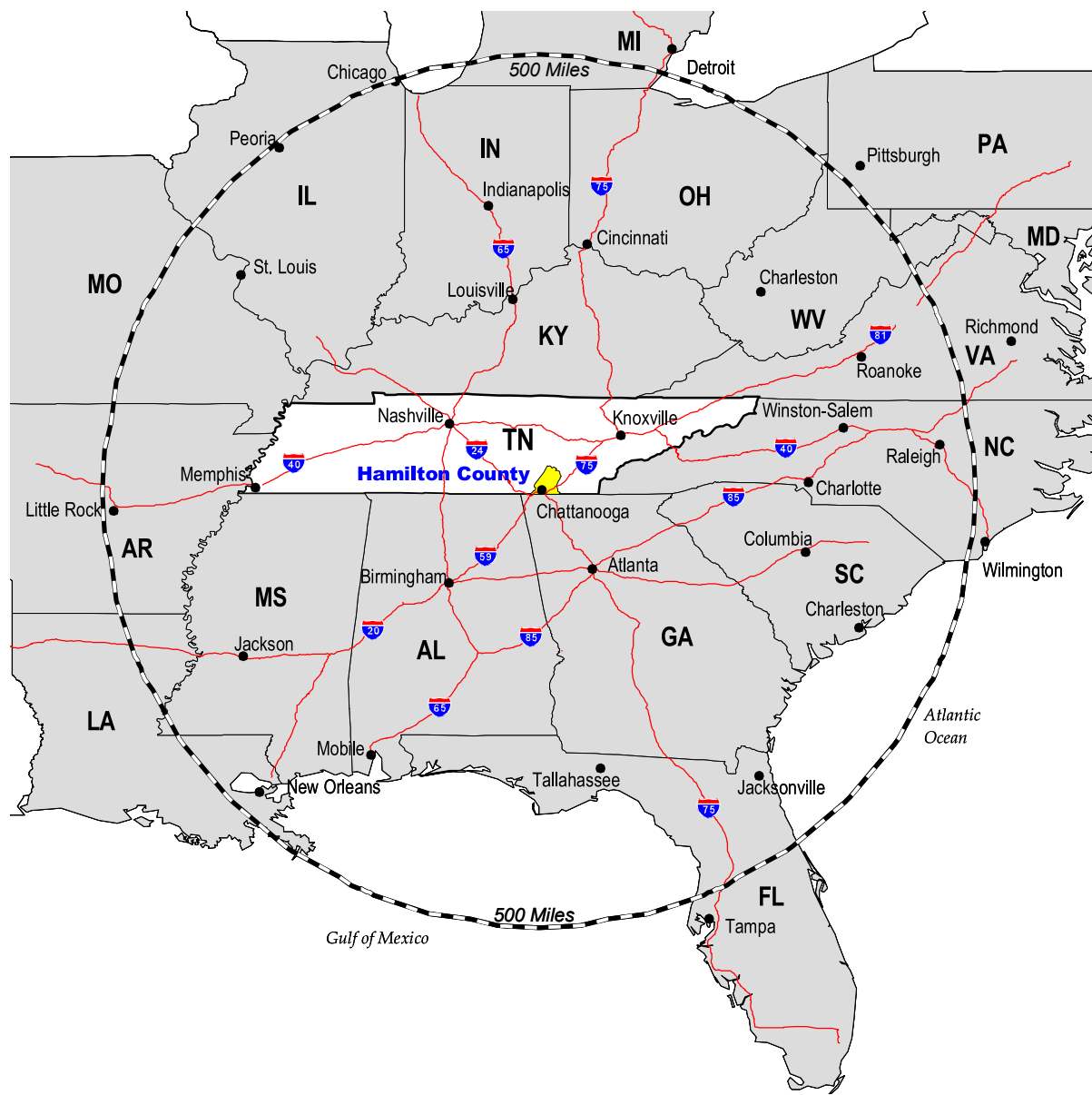
### LIBRARIES

Chattanooga-Hamilton County Bicentennial Library with branches at Eastgate, South Chattanooga, Northgate, and Ooltewah/Collegedale  
University of Tennessee at Chattanooga  
East Ridge City Library  
Chattanooga State Technical Community College Library  
Town of Signal Mountain Library

**Visit the Hamilton County website at [www.hamiltontn.gov](http://www.hamiltontn.gov)**

# LOCATION

Hamilton County is located in the heart of the majestic Tennessee Valley at the junction of Tennessee, Alabama and Georgia. Atlanta, Birmingham, Huntsville, Nashville and Knoxville are located within a 2 to 2 1/2 hour drive of the county. Over 10 million people live within 150 miles of Hamilton County.



Hamilton County is at the crossroads of three interstates, the Tennessee River and two rail lines. Chattanooga, Hamilton County's major city, was an important early trading post, a vital location during the Civil War and a leading manufacturing center. Hamilton County enjoys a mild, four-season climate.

# HISTORIC HAMILTON COUNTY

Hamilton County was created by an act of the Thirteenth Tennessee General Assembly meeting at Murfreesboro on October 25, 1819. The county then did not extend south of the Tennessee River. The section south of the river, including the site of Cherokee Chief John Ross's Landing in present-day Chattanooga did not become part of Hamilton County until the disputed Treaty of 1835 that led to the Indian Removal and the "Trail of Tears."

The creation of the new county from the frontier of Southeast Tennessee was brought on by a treaty with the Cherokees in 1817 known as the Hiwassee Purchase. By its terms, the Indians yielded large sections of Alabama and Georgia as well as the Sequatchie Valley and the area that became Hamilton County.

The county was named in honor of Alexander Hamilton, who was Secretary of the Treasury in George Washington's administration. At the time of the 1820 census, Hamilton County reported 821 residents. Today, Hamilton County boasts an estimated 312,905 residents.

Rich in history of the American South, blessed with scenic beauty that enhances every aesthetic experience, proud of its heritage and excited about its future, Hamilton County offers a bounty of cultural and recreational activities which enhances its reputation as a thriving business center.



# HAMILTON COUNTY PROFILE

Picture a revitalized historic downtown district rich in classic architecture and enhanced with public and private investments of more than \$2 billion dollars since 1990. Position that downtown district along the shore of the winding Tennessee River and within 542 square miles of lush green rural, residential and industrial land; then add 35,000 acres of fun and play on a man-made lake; and finally, surround all of that with majestic mountains and you have one of the most beautiful counties in the southeast — Hamilton County, Tennessee.

## INTRODUCTION

Hamilton County is located in the southeastern part of Tennessee, midway between Nashville and Atlanta, Georgia. Hamilton County includes the cities of Chattanooga, Collegedale, East Ridge, Red Bank and Soddy Daisy, and the towns of Lookout Mountain, Ridgeside, Walden, Lakesite and Signal Mountain. The County was created on October 25, 1819, by the Tennessee State Legislature and is a body corporate and politic authorized by Chapter 5 of the Tennessee Code Annotated (TCA), other chapters of the TCA and certain private acts of the legislature, to perform local governmental functions within the County not performed by its ten incorporated towns and cities. As a municipal body, the County is an instrument of the State of Tennessee (the State) with such powers and jurisdictions as vested by law.

## FORM OF GOVERNMENT

The County, pursuant to 1978 Public Act 934, is governed by a County Mayor elected at large and a nine-member Board of County Commissioners elected by district. Some duties of government are performed by various elected and appointed clerks of the courts and by an elected Sheriff, Assessor of Property, Register of Deeds and County Trustee. The County Trustee collects all property taxes and acts as the clearinghouse for all County funds.

All other financial functions of the County are managed by the Administrator of Finance under the direction of the County Mayor. Those duties include the disbursement of funds, accounting, budgeting, purchasing, debt management, and preparation of the County's Comprehensive Annual Financial and Budget Reports. The executive offices of the County are located at Room 208, Hamilton County Courthouse, Chattanooga, Tennessee 37402.

## INDUSTRIAL AND ECONOMIC DEVELOPMENT

Hamilton County's central location makes it a perfect distribution center for the eastern United States. Supplies and products for industry flow easily to and from the Chattanooga area by way of an extensive network of highway, water, air and rail transportation systems. Beyond its advantages as a business location, Hamilton County is blessed with beautiful natural surroundings. A gracious lifestyle results from the community's commitment to preserving its culture and supporting the arts. The area offers excellent educational opportunities and quality health care as well as a virtually unlimited range of recreational activities — all at one of the lowest costs of living in the nation.

Hamilton County's City of Chattanooga is one of the South's oldest manufacturing cities, but today there is no single dominating business category. Economic advantages such as ample utilities, an efficient transportation system, abundant natural resources, a trained labor force and centralized location make this area a diversified and profitable business location. Because of revitalization within the City, new job opportunities have developed which contributes to a drop in the unemployment rate from 4.4 percent as of May 2006 to 3.9 percent as of June 2007. This is less than the nation's unemployment rate of 4.6 percent and the state rate of 4.1 percent.

Hamilton County's prosperity is linked to the renaissance of Chattanooga. This rebirth has received national recognition as a model for redevelopment of mid-sized cities elsewhere. Led by a series of community-wide planning efforts, Chattanooga's progress is evidenced by more than \$2 billion invested in new projects downtown over the last sixteen years.

Much of the recent activity stems from the completion of the Electric Power Board headquarters at a cost of \$40.9 million. With all of the improvements made during the past sixteen years, many people have shown a renewed interest in living as well as working and visiting downtown. Many projects are now focusing on taking older buildings and creating office space, retail space, apartments and condos. Three of these projects include: (1) Mayfair on Market will go up between 710 and 728 Market Street and will cost approximately \$16 million to complete. (2) One North Shore development will be the biggest condominium complex











ever raised in downtown Chattanooga. This three-building development will be located just west of the new Renaissance Park. The cost to complete this project is estimated at \$36 million and is slated for completion in 2007. (3) Battery Place condominiums, located at 73 Battery Place, were completed in the fall of 2006 with an approximate cost of \$7 million.

In May 2006, Renaissance Park was completed and opened for public use. As the latest addition to the Tennessee Riverpark, this wetlands park is a 23.5 acre park and the largest in Chattanooga's 21st Century Waterfront Plan. It contains an educational center and a playground for youngsters. The funding for the park was provided through the \$120 million Waterfront Plan trust.

The cooperation of public and private sectors has been paramount in funding new development and accomplishing goals. Progress was also achieved through the cooperation and support of the City of Chattanooga and Hamilton County Governments. The dynamic improvements in the downtown area have encouraged renewal and growth in all areas of the County. Advances in parks and recreation have made Hamilton County a more attractive destination for visitors and new residents. The nationally acclaimed Tennessee Riverpark sets a new standard for linear parks. Hamilton County has played a major role in developing the facility that now features a lighted concrete walkway and extends 10 miles from downtown Chattanooga to the Chickamauga Dam.

Coolidge Park, named in honor of Charles Coolidge, a World War II veteran who five decades ago was awarded the Medal of Honor, is located in the North Shore community along the Riverpark. The park's three-row vintage carousel, designed by Gustave Denzel and built in 1895, was restored and fitted with 52 animals carved and painted by local and out-of-town sculptors. As with many of the projects that are part of the local renaissance, Coolidge Park is a shining example of the public and private partnerships that exist in Hamilton County. Three local foundations provided more than 70 percent of the funding of over \$5 million for the park's development.

This park joins the many other developments along the Tennessee River such as the Tennessee Aquarium, the Max

Finley Stadium/Gordon Davenport Field, the Children's Creative Discovery Museum, the IMAX and the Bijou Theatres, along with dozens of new restaurants and retail shops. The Chattanooga Lookouts play their baseball games at the \$10 million, 6,000-seat AT&T Field. The complex is located on the south shore of the river near the aquarium.

Hamilton Place Mall, Tennessee's largest, remains a magnet for millions of people. The 1.2 million-square-foot mall has reeled in tourists and locals with a savvy mix of new and familiar stores, theme restaurants and movie theaters. Thanks to the mall, the area has become a retail hotbed with more than 16 million visitors a year. Hamilton Place has six major department stores and over 200 stores, 30 eateries and 17 theatres. That success has spilled across Gunbarrel Road and Interstate 75. The number of businesses and amount of traffic in the mall area has more than doubled over the past decade.

Another investment in economic growth occurred when Hamilton County and the City of Chattanooga took title to the land known as Enterprise South at the former Volunteer Army Ammunition Plant (VAAP) in September 2000. Enterprise South is a nearly 3,000 acre industrial park. TVA has designated Enterprise South as Tennessee's first industrial megasite, suitable for the location of a major automotive manufacturer. The megasite certification means that the industrial park has roads, sewers, water, electricity, railroad lines and environmental clearances needed for any major manufacturing plant. Currently, TAG Manufacturing, eSpin Technologies, and Integrated Data Solutions, Inc. have located their new plants in the Enterprise South Industrial Park.

Hamilton County officials have focused on ways to aid employment growth. The Chattanooga Area Chamber of Commerce was given the task to create more jobs when it drew oversight of economic development. The Chamber has prepared a new plan for a larger economic recruitment program that includes expanded business financial support. Consultants worked with local officials and businessmen to fashion a new job growth plan called "Tell the World." This is the Chattanooga region's first systematic effort to brand and market itself as a wonderful place to live and do business. The County already benefits from local industries such as AT&T, DuPont, Komatsu, America International, MG

Industries, Century Telephone and others that continue to make major financial investments in this community.

Hamilton County Government has a successful history in business development and promoting industrial growth. County industrial parks include Enterprise South, Mountain View, Silverdale, Bonny Oaks, Soddy Daisy, and the Centre South Riverport. In 1987, the County established the Business Development Center, which assists startup of new enterprises. The County has established the Center for Entrepreneurial Growth (CEG), a new Technology Business Incubator to assist emerging technology companies and help mentor existing businesses in new technology. The County has partnered with the Chamber of Commerce to manage the program. The CEG recently opened a facility in the new Engineering Building at the University of Tennessee at Chattanooga that allows entrepreneurs to access high-tech equipment and the Engineering department's staff.

### **TRANSPORTATION SERVICES**

Hamilton County serves as a major regional transportation hub. Air transportation services are provided by Lovell Field, which is operated by the Chattanooga Metropolitan Airport Authority. Currently, Lovell Field is served by national airline carriers such as American Eagle, Delta Connection, US Airways Express, Northwest Airlink, Continental Express, and its latest edition Allegiant Air. Nonstop flights to Atlanta, Chicago, Charlotte, Cincinnati, Memphis, Dallas, Houston, Washington D.C., and Florida are now available. During 2006, passenger flow out of Lovell Field included 254,959 passengers enplaning and 248,509 passengers deplaning for a total passenger flow of 503,468. Privately owned and operated airport facilities include Collegedale Municipal Airport and Dallas Bay Skypark. All airport facilities are conveniently accessible from the downtown area of the City and provide such services as aircraft sales, instruction, charter service and maintenance. More than \$20 million in expansion and improvement projects are being done at the Chattanooga Metropolitan Airport Authority. Some of these projects include the rehabilitation of Runway 15/33, the reconstruction of Taxiway Alpha North and the ongoing maintenance of pavement areas. Infrastructure development is continuing on the West Side in order to connect the remaining 12.5 acres of developable land to the airport's runway system. The Airport Authority's Aircraft Rescue Fire Fighting (ARFF) station houses not only the

Airport's fire department but all emergency management operations. Also on the West Side, the U.S. Forest Service is now operational with a tanker base.

Railway service is provided by four divisions of the Norfolk Southern Railway System and two divisions of the CSX Transportation System, all with switching service throughout the area. Modern "piggyback" service is provided by all lines. The City is served by three interstate highways; I-24, I-59 and I-75. Local mass transportation service is furnished by the Chattanooga Area Regional Transportation Authority. Multiple daily departures are made via privately operated shuttle services to and from major metropolitan areas surrounding Chattanooga, such as Atlanta, Birmingham, Nashville and Knoxville.

Public-use port terminals include JIT Terminal, Mid-South Terminals and the Centre South Riverport. The Tennessee River provides year-round, low-cost water transportation and links to the nation's inland waterway system. This system, formed largely by the Mississippi River and its tributaries, effectively links this area with the Great Lakes in the north and the Gulf of Mexico in the south. The nearby Tennessee-Tombigbee Waterway cuts the distance to the Gulf of Mexico by 850 miles.

### **HEALTH CARE SERVICES AND FACILITIES**

Chattanooga is known as a regional leader in the medical field. In Hamilton County, 10 percent of jobs and 12 percent of payroll are generated by health care, including over 9,067 health care providers. Recognition of Chattanooga's medical community includes Erlanger Medical Center, which has the region's only Level 1 Trauma Center and Burn Unit; the Tennessee Craniofacial Center, one of the leading facial reconstructive centers in the country treating patients from all over the world; the Chattanooga Heart Institute, one of the leading heart centers in the region; and Siskin Hospital, Tennessee's only not-for-profit hospital dedicated to physical rehabilitation. Health care facilities include seven large hospitals, emergency medical centers, public and private mental health facilities, drug and alcohol abuse recovery facilities, rehabilitation centers and speech and hearing facilities for the handicapped. In addition, the City-County Health Department provides services and facilities for the protection and well being of the public health. Total bed capacity of all health care facilities is 1,800.

## CULTURAL ACTIVITIES AND FACILITIES

Hamilton County is a strong supporter of arts and cultural programs. Allied Arts of Greater Chattanooga (AAGC) serves to foster and improve the artistic, cultural and educational life. The community boasts some of the finest art facilities of any community its size in the nation. Facilities include the wonderfully renovated Art Deco styled Tivoli Theatre, featuring local and touring performing arts; and the Memorial Auditorium, host of traveling Broadway shows and other large events. The Hunter Museum of American Art houses one of the finest collections of American art in the Southeast. The Chattanooga Theatre Centre offers one of the best-equipped facilities for community theater in the nation. Public spaces such as the award-winning Coolidge Park and Miller Park/Plaza host free concerts and public art exhibits. The area ranks in the top ten in per capita giving to a united arts fund. Through its Arts Council and United Arts Fund, AAGC raises and distributes more than \$2,000,000 each year for arts and education programs.

The annual Riverbend Festival brings our community together in a riverfront celebration of our heritage and diversity. With capacity crowds exceeding 600,000, the festival has become one of the South's premier entertainment events. Spread over a nine-day period in June, Riverbend features a wide variety of music on six stages with more than 100 performing artists. Hamilton County also hosts an old time "County Fair" each year at beautiful Chester Frost Park on Lake Chickamauga. The two-day event draws over 40,000 citizens in a celebration of local heritage and culture.

## RECREATIONAL FACILITIES

The mountains that surround Hamilton County offer a multitude of opportunities for the outdoor enthusiast. A wide variety of activities are available including fishing, hang gliding, camping, rock climbing, rappelling, spelunk-

ing, white-water rafting, kayaking and canoeing. The area has excellent tennis facilities and golf courses. The Rowing Center provides a home base for crews rowing the Tennessee River. The area has a number of state and local parks, including the Tennessee Riverpark, featuring picturesque hiking trails, fishing piers, picnic facilities, playgrounds and open spaces. Excellent facilities are available for team sports such as soccer and softball. The most recent additions for spectator sports include the Max Finley/Gordon Davenport Stadium, Coolidge Park and the AT&T baseball complex.

The County's rich history is evidenced by the nation's largest military park, the Chickamauga and Chattanooga National Military Park. In 2003, legislation was enacted into

law by President George W. Bush, creating the Moccasin Bend National Archeological District as a unit of the Chickamauga and Chattanooga National Military Park. We have the opportunity to offer a unique celebration of Southeastern Native American cultures and enhanced interpretation of Civil War engagements in the area. The formal National Park Service planning process



for Moccasin Bend began in September 2005, with public input meetings and tribal consultations in 2006. However, the land and water topographic surveys and archeological surveys are completed. The City of Chattanooga is reworking its comprehensive development plan for the North Shore, which includes the areas that serve as gateways to the new National Park lands. The next several years will see exciting progress in and around Moccasin Bend.



# FINANCIAL MANAGEMENT POLICIES

The annual budget is a fiscal plan which presents the services to be provided to the community and the funds necessary to perform these services. Key steps in this process are described within this section. Hamilton County Government operates under a fiscal year that begins July 1 and ends June 30.

## BUDGET POLICY

Hamilton County has as its highest priority the preservation of our natural resources, along with the continuing development of our community resources to ensure that there is progressive and sustainable growth for the future needs of Hamilton County citizens.

The overall goal of the County's financial plan is to establish and maintain effective top quality management of the County's financial resources. The County builds a solid foundation for subsequent years by effectively managing its resources through sound budget policies and the monitoring of the results of these policies throughout the fiscal year. Because the County involves each Division/Department so heavily in the budget process, the finished product serves as an excellent management tool for use in day-to-day decision-making in the operation of a department. The budget also provides the basis of financial control to ensure compliance and prevent over-spending. Monthly reports comparing budgeted amounts to actual amounts are furnished to each department for review. These reports are also used to search for funding sources or unexpended appropriations needed if a departmental mission is adjusted in midyear.

## CASH MANAGEMENT & INVESTMENT POLICY

The County strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the County's cash resources. In an effort to maximize investment earnings, the County has formed an internal investment pool, which allows all idle cash to be invested on a daily basis. Daily cash needs are supplied from funds held with the State of Tennessee Local Governmental Investment Pool (LGIP), while long term cash reserves are held in government securities.

State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The collateral must be held by the pledging financial institution's trust department or agent in the County's name.

The Hamilton County Board of Commissioners has adopted an investment policy, which sets as its goal the maximizing of investment earnings, while at the same time protecting the security of the principle and maintaining liquidity to meet the cash requirements. The policy sets forth the allowable types of investment as well as the individuals responsible for making those investments.

Effective cash management is essential to good fiscal management. This becomes even more important as the demand for services continues to exceed available revenues. Therefore, the extent to which Hamilton County can obtain investment returns on funds not immediately required has a direct relationship to our tax rate. This necessitates that investment policies be formulated and uncompromisingly applied in a manner that will maximize investment returns.

Hamilton County may invest in any instruments that are in accordance with applicable laws, including but not limited to the following:

1. Savings accounts and certificates of deposit in banks. (TCA 5-8-201)
2. Savings accounts and certificates of deposit in Savings & Loan Associations. (TCA 9-1-107)
3. Tennessee Valley Authority Bonds. (TCA 35-326)
4. Bonds, notes, or treasury bills of the United States, federal land bank bonds, federal home loan bank notes and bonds, federal national mortgage association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States, the pooled investment fund of the State of Tennessee, or repurchase agreements. (TCA 5-8-301)

The Finance Administrator for Hamilton County has the responsibility for effective cash management. The Assistant Finance Administrator is directly responsible for effective cash management as the portfolio manager. The portfolio manager shall be responsible to obtain competitive rates on a weekly basis and, based on these rates, shall invest available funds so as to maximize interest earnings and protection of principal.

A quarterly report will be provided to the County Mayor, the Finance and Insurance Committee of the County





Commission and the County Auditor. This report will be in both written and oral form. The written report will provide a summary of investment transactions during the quarter including the type of instrument, rate of return, term and total investment earnings.

## **REVENUE POLICY**

- A. Hamilton County will maintain a diversified and stable revenue base to shelter it from short-term fluctuations in any one revenue source by doing the following:
  - 1. Establishing user charges and fees as permitted by law at a level related to the cost of providing that service, including indirect costs when appropriate;
  - 2. Pursuing legislative change, where necessary, to permit increases in user charges and fees to allow the County to recover the full cost of services;
  - 3. Aggressively collecting property tax revenues, including filing suit where appropriate and necessary, as authorized by the Tennessee Property Tax Code; and
  - 4. Aggressively collecting all other fines, fees and revenues due the County.
- B. Hamilton County will actively pursue intergovernmental grant funding to fund programs that have been identified as important to meet the County's mission, vision, goals and objectives.
- C. Hamilton County will minimize its reliance on non-recurring sources of revenue, including the use of prior year fund balances for recurring expenditures, except for the cyclical increase in fund balance that occurs between debt issuances. Increases in fund balance that result from property tax increases will be used for operating expenses in subsequent years in order to sustain the County through its traditional four-year planning cycle.

## **GENERAL OPERATING POLICY**

- A. All departments are responsible for meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.
- B. An annual operating budget shall be adopted consistent with state law and a budget process developed in a manner which encourages early involvement with the County Commission and the public.

- C. The County's budget process is intended to weigh all competing requests for resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.
- D. Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices. All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
- E. The County will maintain a balanced budget. This means that operating revenues must fully cover operating expenditures, including debt service. Except for the cyclical use of fund balance between debt issuances and the growth of fund balance reserves resulting from property tax increases used to sustain the County through its traditional four-year planning cycle, fund balance can only be used to fund temporary/one-time expenditures and ending fund balance must meet minimum policy levels.
- F. Capital equipment replacement of vehicles, computers, phones and other short-lived capital expenditures is accomplished on a "pay-as-you-go" basis integrated into the current budget from the Five-year Capital Improvement Plan.
- G. Current revenues will fund current expenditures and a diversified and stable revenue stream will be developed to protect programs from short-term fluctuations in any single revenue source.
- H. Addition of personnel will only be requested to meet program initiatives and policy directives after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition.
- I. To the extent possible, user fees and charges will be examined periodically to ensure that they recover all direct and indirect costs of the service provided.
- J. The County will follow an aggressive, consistent, but sensitive policy of collecting revenues.
- K. Cash and investment programs will be maintained in accordance with the adopted investment policy and will ensure that proper controls and safeguards are maintained. County funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal.

## **CAPITAL IMPROVEMENTS POLICY**

- A. The purpose of the Capital Improvements Plan (CIP) is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies.
  - B. A five-year CIP will be developed and updated biennially, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction that results in a capitalized asset with a useful life (depreciable life) of 15 years or more. Minor capital outlays with a useful life of less than 15 years will be included with the Capital Outlay Operating Budget and are adopted as part of the annual budget process.
  - C. The CIP shall include but is not limited to requests from County General Government, the Department of Education and from Constitutional Offices.
  - D. The CIP will include adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability. In addition, current operating maintenance expenditures which extend the useful life of the buildings, infrastructure and equipment will be included with the Capital Outlay Operating Budget and adopted as part of the annual budget process.
  - E. Proposed capital projects will be reviewed regarding accurate costing (design, capital, and operating) and overall consistency with the County's goals and objectives. Financing sources will then be identified for the highest ranking projects.
  - F. Capital improvement lifecycle costs will be coordinated with the development of the Capital Outlay Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact on the project and when such cost is expected to occur.
  - G. The CIP funding sources include debt proceeds, County appropriations and Federal and State aid. CIP funded by General Obligation Bonds or Notes are formally adopted by the County Commission when the Bond Resolution is approved.
- comply with all State laws and regulations regarding debt issuance. Tennessee counties are not limited on the amount of bonded indebtedness.
- B. Periodically, the County may need to issue bonds for capital improvements and/or other obligations.
  - C. Whenever long term debt is issued, the County will publish and distribute an official statement for each debt issuance.
  - D. An analysis showing how the new issue combined with current debt impacts the County's future debt capacity and conformance with County debt policies will be prepared before every bond issue.
  - E. The County will communicate, and, where appropriate, coordinate with all jurisdictions with which the County shares a common tax base concerning its collective plans for future debt issues to hold overlapping debt to a level which will not constitute a burden to the taxpayers.
  - F. The County will seek to maintain and, if possible, improve its current bond rating in order to minimize borrowing costs and preserve access to credit.
  - G. When Hamilton County finds it necessary to issue debt instruments, the following policy will be adhered to:
    - 1. The weighted average general obligation bond maturities for any series will not exceed 20 years. The County will strive to utilize shorter maturities whenever possible.
    - 2. The term of any bond issue in general will not exceed the estimated useful life of the capital project/facility or equipment for which the borrowing is intended.
    - 3. Debt service for all funds in any year will not exceed 25 percent of the total annual operating budgets.
  - H. General Obligation debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cash flow requirements while being sensitive to the property tax burden on citizens.
    - 1. Interest earnings on debt service fund balances will be used for debt retirement.
    - 2. Interest earnings on debt proceeds will be used for capital improvements or debt retirement.
    - 3. Debt financing will be confined to capital improvement projects which could not feasibly be financed from current revenues.
  - I. Hamilton County will comply with all Federal requirements regarding arbitrage on bond issues to avoid any penalties.

## **DEBT MANAGEMENT POLICY**

- A. Sections 5-10-501 to 5-10-509, inclusive of the laws of the State of Tennessee, provide that bonds may be issued by Tennessee counties. Hamilton County will



- J. The County will consider opportunities to refund existing debt issuance if the savings on the current principal and interest payments over the remaining life of the debt produces present value savings of three percent or greater.
- K. General Obligation debt, supported by property tax revenues which grow in proportion to the County's assessed valuation and/or property tax rate increases, will be utilized whenever possible. Other types of debt (e.g., revenue bonds, tax anticipation notes, etc.) may also be utilized as determined by the County Mayor, Administrator of Finance and approved by the County Commission.
- L. Whenever possible, the County will use the competitive bidding method of selling bonds.

#### **RESERVE POLICY**

- A. The County will maintain an operating reserve for use in the event of unanticipated, extraordinary expenditures and/or the loss of a major revenue source.
- B. It is a goal that the General Fund will strive to maintain an unreserved fund balance of no less than 25 percent of operating budget or three months operating expenditures for any year. These funds can only be appropriated by an affirmative vote of a majority of the Commission members.

#### **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES**

- An independent audit will be performed annually.
- The County will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.
- The County will maintain a strong internal audit capability.

#### **ASSET ACCOUNTING POLICY**

Accounting policies address the capitalization policy, controllable assets, and classes of property. A capital asset is defined as assets having a useful life of more than one year and a historical cost of \$5,000 or more (fair market value of donated assets). These assets will be included in the property inventory. Major additions, including those that significantly prolong a fixed asset's economic life or expand its usefulness, should be capitalized. Normal repairs that merely maintain

the asset in its present condition should be recorded as expenses and should not be capitalized. Hamilton County does not currently own any historical art or treasures. If in the future the County acquires historical art or treasures they will be recorded at historical costs. However, depreciation will not be required as they do not depreciate in value. The fixed asset class schedule that follows clearly states the useful lives for each class of capital asset that will be used to determine the depreciation charge annually. These assets will be tagged according to tagging procedures laid out in the Asset Tagging Procedure.

Controllable assets are those assets that do not meet the criteria for a capital asset, usually because their historical cost is between \$1,000 and \$4,999 (fair market value of donated assets). Controllable assets are maintained for tracking purposes only. The County is responsible for including the controllable assets in the physical property inventory; however, they will not be included as depreciable assets reported in the Comprehensive Annual Financial Report. Exceptions to this rule are computers and firearms, which should be tracked regardless of historical cost. These assets will be tagged according to tagging procedures laid out in the Asset Tagging Procedure.

Assets with a historical cost less than \$1,000 or with a useful life of less than one year will not be included in the property inventory (fair market value of donated assets). However, if department heads feel it is necessary to track the assets due to the sensitive, portable, and/or theft-prone nature of the asset, they may keep their own listing separate from the property listing within the fixed asset system. Departments may choose to tag these items with a sticker stating Property of Hamilton County which must be obtained by them. These tags will not be issued by the Property Accountant.

#### **RISK MANAGEMENT POLICY**

Hamilton County maintains a comprehensive risk management program which is responsible for all functions related to risk management, including analysis of risk exposures and alternatives to risk financing, loss control and claims administration. The County maintains a self-insurance program that includes all its liability exposures, including on-the-job injuries. Resources are placed in a separate fund to meet potential losses. Risk control techniques such as safety inspections and educational programs on accident



prevention will continue to be implemented to minimize accident-related losses.

## **BUDGET PROCEDURES**

State Law requires that all local governments in Tennessee prepare and adopt a balanced annual operating budget. The County Legislative Body must by resolution adopt an annual budget and at the same time impose certain tax levies which will generate sufficient revenues to fund the various expenditure elements of the budget. These consist of a comprehensive listing of anticipated revenues and proposed expenditures for each function of government for the next fiscal year.

A legally enacted budget is employed as a management control device during the year for the following governmental funds: General Fund, significant special revenue funds (Sheriff, Juvenile Court Clerk), and Debt Service Fund. Formal budgetary integration is not employed for the remaining Constitutional Officers due to the ability of management to closely monitor and control the transactions in the funds. The remaining special revenue funds are unbudgeted because effective control is maintained through the appropriation of revenues by the General Fund and through management's observation of the limited transactions of these funds.

All budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The General, Special Revenue, Debt Service and Capital Projects funds are developed on a modified accrual basis. Any annual appropriations lapse at fiscal year end. The basis for budgeting is consistent with the basis for accounting, with the major difference being encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriation – is utilized in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures because the commitments will be honored through subsequent years' budget appropriations.

The County Mayor and County Board of Commissioners use the annual budgetary process to establish the scope

and direction of county services and programs. This document formalizes the budgetary procedures for Hamilton County.

## **I. Preparation of the Annual Budget – Responsibilities of County Officials**

### **A. County Board of Commissioners**

1. Establishes overall budgetary and programmatic policy.
2. Establishes the scope and direction of County services.
3. Determines the policy and direction the County takes in its efforts to deliver services to the citizens.
4. Takes action based on proposals and recommendations presented by the County Mayor.
5. Conducts formal budget hearings for citizen input and budget presentations.
6. Formally adopts the annual budget and sets the required tax rates.

### **B. County Mayor**

1. Makes proposals and recommendations regarding budgetary policy to the Board of Commissioners.
2. Reviews preliminary budget documents with the Finance Administrator and makes any necessary adjustments to the budget.
3. Conducts informal briefings with individual Commissioners to discuss special concerns of Commissioners and fiscal impact of various other issues in the budget.
4. Presents the complete budget document to the Board of Commissioners.
5. Makes formal presentation of budget recommendations.

### **C. Administrator of Finance**

1. Responsible for guiding the annual budget preparation.
2. Designs budget worksheets and forms.
3. Issues instructions for completing budget forms.
4. Reviews completed budget request forms for accuracy and completeness.
5. Evaluates individual departmental requests and adjusts them to policy guidelines established by the County Mayor.



6. Prepares revenue estimates and balances expenditure requests with available revenues.
  7. Makes a recommendation for budget action to the County Mayor and Board of Commissioners.
  8. Coordinates budget hearings and schedules meetings.
  9. Monitors individual departmental performance to ensure that the approved budget is not exceeded.
  10. Prepares reports on budgetary performance for use by the County Mayor, Board of Commissioners and departments.
  11. Makes a recommendation to the Board of Commissioners regarding budget amendments.
- D. County Departments, Boards, Institutions, Offices and Agencies.
1. Prepare annual budget requests to include descriptions of programs, staffing levels and service plan for the year.
  2. Submit budget requests as directed by the Administrator of Finance.
  3. Present budget request and service plan to Board of Commissioners at formal budget hearing.
  4. Execute the approved budget.

## II. Amendments to Operating Budget

Once the County Board of Commissioners has formally adopted the County's operating budget, it becomes the responsibility of the Elected Official, Agency Head or Division Administrator to control the budget and to live within its parameters. It is the responsibility of the Finance Division to support this process with the necessary accounting records and periodic reports and to maintain contact with the above individuals relative to the status of their budgets.

Should an amendment become necessary (either because of the availability of additional funds or the need for additional support) it should be brought to the attention of the Administrator of Finance for presentation to the Board of Commissioners at the earliest possible time.

Under this policy the Elected Official, Agency Head, or Division Administrator has the authority to shift budgeted amounts from one line item to another within

the department. The County Mayor has the authority to shift budget amounts from one department to another within the same Division. The County School Superintendent, with approval of the School Board, has the authority to shift budgeted amounts within the School Fund Budget. A quarterly report will be submitted to the County Mayor and the County Board of Commissioners by the Administrator of Finance showing in detail any shift of budgeted amounts with suitable justification.

Any necessary amendment outside the parameters outlined in the preceding paragraph is submitted to the County Board of Commissioners for their approval prior to any funds being expended.

## III. General Conditions

In order for an agency to receive funding from Hamilton County the following conditions must be met:

- A. Provide an annual audit to the County Auditor.
- B. Make books and records available for inspection by properly designated officials on the request of the County Mayor or County Board of Commissioners.
- C. Notify the County Mayor and County Board of Commissioners immediately of any irregularities, unanticipated revenues or expenditures.

## RESOLUTION NO. 483-27, APPROVED BY THE COUNTY COMMISSION ON APRIL 20, 1983.

To ensure compliance with the above resolution, a budget schedule is prepared each year to facilitate the decision making process by providing overall direction to County departments and supported agencies. The budget preparation process begins in March when County departments begin a self-evaluation of the department's objectives and measures of performance for the current year. At this time, each department prepares objectives and performance measurements for the upcoming year. This information is formally submitted to the Finance Division by late April. The budget document submitted includes a statement of departmental function, its goals and objectives, staff requirements, traditional object code line item expenditure requests, and justification for maintaining current and expanded expenditures. Individual department requests for capital needs are reported on a separate form.

During late April and early May, each division head meets with the Administrator of Finance to discuss their budget document. Around the middle of May, all budgets are consolidated and presented to the County Mayor for review.

Public hearings are held during the latter part of May. These meetings provide citizen input to the County Commission on decisions and issues relating to the budget. The Finance Administrator and his staff review and consolidate all budget requests, estimate anticipated revenues and prepare a balanced budget for submission to the County Commission. After several meetings where various budget revisions are discussed, the Commission adopts the Operating Budget for the fiscal year beginning July 1, and sets the tax rate for the upcoming year.

Hamilton County's budget has evolved into a comprehensive system that combines elements of line items, performance and program budgeting.

The following section outlines the budget procedures adopted by the Finance Administrator for the County's Fiscal Year 2008 Operating Budget.

Generally, every department was instructed to hold their budget requests to last year's level unless there was an item where the increase was beyond the department's control, and yet the department needed that item in order to provide their basic service. (An example is the printing cost of the County's property tax bills.) If a new item or program was requested, a "Summary of Explanations" was to be attached to the departmental budget request.

The Finance Division sent out the budget information packets at the beginning of February. The packets contained a summary of employees by function, with current salaries and estimates of fringe benefits data such as FICA, pension, and insurance. In addition, the estimated cost of gasoline to fuel County vehicles was included. The packets also contained a revenue analysis form to be completed by departments or programs that have expenditures directly related to or dependent on specific related revenues (grants, entitlements, fees, etc.).

## BUDGET CALENDAR

### 2006

**SEPTEMBER 1**—Finance begins distributing monthly budget printouts to Department Heads for FY 07 review process.

### 2007

**JANUARY 5**—Revenue projections begin.

**JANUARY 12**—IFAS training for Budget Team.

**FEBRUARY**—Finance Administrator meets with County Mayor and County Administrators to review calendar and schedule budget process.

**MARCH 5 TO 9**—Budget Training for Departments.

**MARCH 5**—Budget access opened for requested budgets.

**MARCH 12**—Budget packages distributed to all supported and jointly supported agencies.

**APRIL 2**—Budget packets due back from all supported and jointly supported agencies.

**APRIL 2**—Budget access closed for requested budgets.

**APRIL 16**—Schedule for Budget Hearings is distributed.

**APRIL 16**—Budget analysis begins.

**MAY 7**—Budget Hearings begin for Constitutional Offices, Sheriff and Supported Agencies.

**MAY 8**—Budget Hearings begin for Assessor of Property, Board of Equalization and Supported Agencies.

**MAY 9**—Budget Hearings continue for Supported Agencies.

**MAY 10**—Budget Hearings for Erlanger and Trustee.

**JUNE 6**—Budget Hearings begin for Hamilton County Department of Education.

**JUNE 22**—Finance staff meets with County Mayor to review proposed budget projections.

**JUNE 28**—Proposed Budget presented to County Commissions (Continuation budget).

**JULY 1**—Fiscal Year 2008 begins.

**JULY 12**—Executive Hearings/Budget Adopted.



rock / creek



# BUDGET FORMAT

The FY 2008 Annual Budget Document for Hamilton County provides historical, present and future comparisons of revenues and expenditures, proposed allocations of resources and descriptions of the anticipated annual accomplishments of County programs. Some totals shown in individual budgets may not add up due to rounding.

## BUDGET ORGANIZATION

The budget document is organized to provide a summary of the total budget with revenues and expenditures for each fund. The major portion of the budget consists of detailed pages containing a description of the funds and activities, along with a recap by object code of all expenditures involved in that particular function. The Personnel Schedules and Glossary conclude the document.

## FINANCIAL STRUCTURE

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into five fund types and three broad fund categories as follows:

## GOVERNMENTAL FUNDS

*The General Fund* is the principal fund of the County and is used to account for all activities applicable to the general operations of County government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use are recorded in the General Fund. Included in this fund are activities for the Constitutional Offices, Supported Agencies, Unassigned Departments, Finance Division, Public Works Division, Human Services Division and Health Services Division.

*Special Revenue Funds* are operating funds which are restricted as to use by the Federal or State governments, and special purpose funds established by the County Board of Commissioners. Included in this section are the Sheriff's Fund and Juvenile Court Clerk's Fund.

*Debt Service Fund* is used to account for the accumulation of resources for and payment of principal and interest of general long-term debt.

## COMPONENT UNIT

Component units are entities that are legally separate from the County, but the County is considered to be financially accountable for these entities. The Hamilton County Department of Education is a component unit of Hamilton County Government.

## BASIS FOR BUDGETING

The budgets are adopted on a modified accrual basis, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Appropriated amounts reflected in the accompanying budget to actual comparison are as originally adopted or as amended by the County Commission.


The County Mayor is authorized to transfer appropriated amounts between departments within any division. However, any revisions that alter the total expenditures of any division or fund must be approved by the County Commission. Expenditures may not exceed appropriations at the fund level.

Formal budgetary integration is employed as a management control device during the year for the General Fund and all Special Revenue Funds. Budgetary control is achieved for the Debt Service Fund through general obligation bond indenture provisions. All appropriations which are not expended or encumbered lapse at year end.

## BASIS FOR ACCOUNTING

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All intergovernmental revenues are recorded as revenue when received. Property tax revenues are recognized in the fiscal year for which they were levied. Licenses and permits, charges for services, fines and forfeitures, and other revenues are recorded as revenue when received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is



incurred. For budgetary purposes, encumbrances are treated as expenditures in the year incurred. An exception to this general rule would include principal and interest of general long-term debt which is recognized when due.

### **ADOPTED BUDGETS**

Formal budgets are adopted for the General Fund, Debt Service Fund, Sheriff's Fund, and Juvenile Court Clerk's Fund. The Hamilton County Department of Education's Fund is adopted as a component unit budget.









# Hamilton County Board of Commissioners

## RESOLUTION

 No. 707-20

A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2007-2008 AND SETTING THE TAX LEVY FOR THE YEAR 2007 FOR HAMILTON COUNTY, TENNESSEE.

WHEREAS, the County Board of Commissioners has legal authority to adopt a budget and to levy taxes sufficient to fund such budget; and

WHEREAS, in the absence of the exact official tax aggregate, which has not been completed, the estimated receipts from the 2007 property tax is based on a total assessed valuation of \$6,657,580,035 with an allowance for uncollectibles of \$266,303,201; and

WHEREAS, the method for determining payments in lieu of taxes by the Electric Power Board is based on factors other than property value. The Electric Power Board is excluded from assessed value and its payment in lieu of taxes is fixed at a rate of 53% for the General Purpose School Fund and 47% for the County General Fund; and

WHEREAS, it may be necessary to issue revenue anticipation notes to fund the budget.

NOW, THEREFORE, BE IT RESOLVED BY THIS HAMILTON COUNTY LEGISLATIVE BODY IN SESSION ASSEMBLED:

1. That the Budget attached to this resolution, and by reference made a part of said resolution, for the fiscal year 2007-2008 is hereby adopted.
2. That for the purposes of salary calculation, all those whose salaries are above \$90,000 will be given up to a 3.9% increase in pay.
3. That there is hereby levied on each \$100.00 of assessed valuation of taxable property in Hamilton County for 2007 a tax levy of the following rates:

General Purpose School Fund	1.5655
County General Fund:	
General Purposes	1.5759
District Road Purposes	0.0126
	<u>3.1540</u>

4. That the taxes provided in Chapter 387 of the Tennessee Public Acts of 1971, and any amendments thereto, known as the "Business Tax Act", are hereby enacted, ordained and levied on the business, business activities, vocations, or occupations doing business or exercising a taxable privilege as provided by said Act, in Hamilton County, Tennessee, at the rates and in the manner described by the said Act. The proceeds of the privilege taxes levied herein shall be apportioned to the County General Fund in total. It is not the intention of the Hamilton County Board of Commissioners, in adopting this particular tax, to affect in any way the imposition and collection of any lawful ad valorem tax imposed on personalty or real property.
5. That the payments in lieu of taxes paid by the Electric Power Board, or any other entity, except the Tennessee Valley Authority, is hereby fixed at a rate of 53% for the General Purpose School Fund and 47% for the County General Fund.
6. That the County Mayor and County Clerk are hereby authorized to borrow money on revenue anticipation notes, provided such notes are first approved by the Director of Local Finance, to pay for the expenses herein authorized until the taxes and other revenue for the fiscal year 2007-2008 have been collected, not exceeding 60% of the appropriations of each individual fund. The proceeds of loans for each individual fund shall be used only to pay the expenses and other requirements of the fund for which the loan is made and the loan shall be paid out of revenue of the fund for which the money is borrowed. The notes evidencing the loans authorized under this section shall be issued under the authority of the applicable sections of Title 9 Chapter 21, Tennessee Code Annotated. Said notes shall be signed by the County Mayor and countersigned by the County Clerk and shall mature and be paid in full with renewal no later than June 30, 2008.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

Hamilton County, Chattanooga, TN  
A CERTIFIED TRUE COPY  
This 12 day of July, 2007  
W. F. (BILL) KNOWLES, County Clerk  
By [Signature], Deputy Clerk

Approved: ☒

Rejected: ☐

Approved: ☒

Vetoed: ☐

CERTIFICATION OF ACTION

[Signature]  
County Clerk

[Signature]  
County Executive

July 12, 2007  
Date